

2015/2016



Moses Kotane Local Municipality ANNUAL REPORT

Chapter 1

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COMPONENT A: MAYOR'S FOREWORD

1.1. MAYOR'S FOREWORD

I am presenting this annual performance report 2015/ 2016 five months after inauguration of the new council which started in August 2016 which was conducted during the second month of the financial year. Having taken over the political leadership of this municipality that was established 16 years ago, I can confidently present the report without reservations because I have been part of leadership and I therefore take ownership thereof.

2015/ 2016 was the last year of the third administration which started in 2011. As the current leadership, we continue with the realisation of our vision of ensuring that the municipality is best to live in, work for and business with through working together.

Presentation of this annual report is a summation of work done in the previous financial year and it is therefore befitting to acknowledge excellent work done by officials in executing their administrative obligations and councillors in playing oversight.

a. Vision:

The vision: A caring and responsive municipality that is best to live in, work for and do business with" is guided the implementation of our mandate to provide services to the communities we serve with due diligence. We are not there yet as the municipality, but I am mostly confident of the commitment portrayed by the Council made up of councillors and officials to ensure that we reposition the Moses Kotane Local Municipality as the front runner in terms of service provision. This will to a larger extent, affirm our mission for businesses and communities to feel and live realisation of our vision. As we pursue our objectives, let us all appreciate the guidance in the spirit of cooperative governance through the back to basics approach.

b. Key Policy Developments:

The 2015/2016 annual report is a summation of our performance aligned to the Integrated Development Plan & Budget that were adopted by Council. We have performed well to achieve the following key performance areas of local government:

- Basic service delivery and infrastructure development
- Good governance and public participation
- financial viability & management
- Local economic development
- Municipal Transformation and institutional development
- Spatial development framework

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It is also proper that we pride ourselves that our budget is credible and the municipality is financial sound/ viable.

Though we have redressed in the previous audit opinion, I am making a commitment that we will regularly work with the auditor general's office to ensure that unqualified audit opinion is achieved in the next financial year. We endeavoured to have the best financial and governance systems centred on all other KPAs of local government in order to achieve our targets.

The Integrated Development Plan is inclusive of both the National and Provincial strategies which are key for proper alignment including the Back to Basics approach and five provincial concretes. Having conducted public and stakeholder consultations, I can boldly say that our IDP and Budget were purely integrated in a collective manner.

c. Key Service Delivery Improvements:

There has been notable successes and milestones in service provision wherein service delivery projects that had challenges were unlocked and fully implemented. We are obviously humbled by the implementation of service delivery and budget implementation plan in line with the IDP hence we proudly handed over all completed projects to communities as part of communication efforts for them to take ownership of projects in their areas.

d. Public Participation:

Public participation is one of the key cornerstones of democracy. We have proudly complimented our stakeholder engagement initiatives to take local government to the people. It is indeed overwhelming to see our communities actively participating in the affairs of Council. Sod turning and project handovers have also complemented our engagement with traditional authorities and communities on service delivery projects in their villages for them to take full ownership and monitoring.

Our ongoing engagement with Dikgosi and Bahumagadi assisted greatly towards efficient stakeholder management. We fully recognise traditional authorities and their role in development and moral regeneration amongst other things. Hence we regularly interacted with Dikgosi to work together in bringing services to communities who are mostly under tribal administrations.

This engagements have to some extent, complemented the community meetings convened by councillors and IDP public consultations to improve good governance. I am happy with the improved interest and participation of our communities in the meetings as they give them power to raise opinions and direct service provision. Feedback to communities stimulates accountability by the leadership of issues of mutual interest.

e. Future Actions:

We commit to ensure that there is institutional capacity for sound governance system that include consistent and efficient council committees and oversight role by councillors. Visibility of Councillors in all wards is imminent as we strive to enhance our oversight role as politicians. Emphasis on monitoring of service delivery projects is one of the key issues in our minds.

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We also strive to continue with fully implementation of infrastructure development projects that include water and sanitation projects, roads and storm water, local economic development, waste management and construction of community halls to ensure that Moses Kotane Local Municipality is truly the best municipality to live in.

Initiatives committed whereby service delivery will be improved over the next few years.

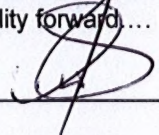
f. Agreements / Partnerships:

Council has adopted Memorandum of Understanding with all Tribal Authorities which is due to be implemented. It is a system of engagement that will be formalised in order to have structured engagements of mutual interests. MOU has been signed with Bakgatla Ba Kgafela Tribal Administration to formalise the already existing working relationship as a pilot.

g. Conclusion:

Let me sincerely thank the team of Officials and Councillors for having delivered on their commitment to ensure that Re direla setšhaba slogan becomes a reality. Let us continue to preserve the legacy of Malome Moses Mauane Kotane whose remains were repatriated from Russia and reburied in Pella village. My sincere gratitude to all fellow councillors, officials, Dikgosi, community development workers, ward committees and key partners in our jurisdiction for always giving direction and participating in our programmes. We are working together to move Moses Kotane Local Municipality forward.... Ke a leboga

(Signed by :)



Mayor: Cnr Ralesole Diale

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COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW

Presentation of the draft Annual Report for 2015/2016 financial year is a full packaging of performance of the last 12 months in as far as implementation of service delivery plans and budget.

Alignment of the IDP and budget translates development of the service delivery and budget implementation plan for implementation of the targets and goals to ensure that we deliver on our core mandate of providing services to the residents of Moses Kotane Local Municipality.

Having concluded both the first and second sessions of IDP Public participation meeting which were clustered from various wards to engage communities on their needs and priorities, we believe that the budget talks to needs and priorities. Though the current allocation is not sufficient, it however makes an impact to meet community needs and expectations.

Our redress in a qualified audit opinion of the Auditor General's findings for 2014/ 2015 has compelled us to go back to the drawing board and renew our quest to consistently get unqualified audit opinion with reduced matters of emphasis. Our eyes and minds are set on 2016/ 2017 to be the year of reclaiming our glory and receive unqualified audit opinion.

In moving forward, our focus is still directed towards:

- Full implementation and monitoring of service delivery plans
- To implement the shared service model
- To continue with implementation of Setsokotsane programme
- Compliance to all local government legislations that promote good governance
- Rebranding and repositioning the municipality as one the world class tourism destination of choice
- To implement Water Demand Management and Water Master Plans
- To ensure investment in infrastructure by executing capital projects so as to address backlog as far as Water Supply at RDP Standards is concerned
- To implement the comprehensive water and road master plans
- To ensure proper coordination of land use development and management and awareness thereof
- To improve waste management system in terms of waste collection, dumping and management
- To be a financially viable institution that attracts investment opportunities

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- Improving on the audit matters for improved governance & implementation of consequence management of the audit action plan

I believe in a collective effort by all strategic partners and I am most happy that the MKLM family comprising Councillors, Officials, Dikgosi and ward Committees are together in moving the municipality forward.

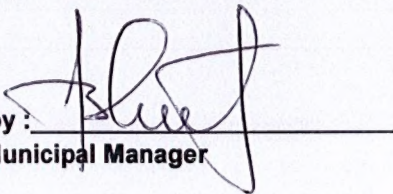
Progress in the current upgrade of the Pilanesberg Bulk Water Infrastructure Project is satisfactorily nearing towards completion and we believe it will address water shortage backlogs. We are anticipating that its completion to eradicate water shortages and interruptions. Our continuous engagement with Magalies Water Board on the unforeseen interruptions of water supply is also seen as a way of addressing community needs of ensuring that provision of water as a basic source of life is done without fail.

As we bid farewell to the Council whose term of office ends in June 2016,

Let us bow our heads and honour their guidance and oversight over the last five years. Let me pass my sincere thanks to council for bestowing the honour in me to drive the ship of administration. We will continue to pursue their legacy

Ke a leboga

Signed by :
Acting Municipal Manager



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1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

Moses Kotane is classified as a Category B4 Local Municipality which is mainly rural with communal tenure. The municipality has two small towns in its jurisdiction. It is one of the five local municipalities constituting the Bojanala Platinum District Municipality classified as Category C1.

Moses Kotane Local Municipality is bordered by:

- Thabazimbi Local Municipality in the North, which is situated in Waterberg District Municipality of the Limpopo province,
- Madibeng Local Municipality in the east (Bojanala Platinum District Municipality, NW)
- Rustenburg Local Municipality (Bojanala Platinum District Municipality, NW) and
- Kgetlengrivier Local Municipality in the south (Bojanala Platinum District Municipality, NW)
- Ramotshere Moiloa Local Municipality in the west (Ngaka Modiri Molema District Municipality, NW).

The Municipality covers an area of approximately 5220km² and is mostly rural in nature, comprising of 107 villages and 2 two formal towns of Mogwase and Madikwe. The N4 Corridor which is the east-west bound road connecting Rustenburg and Pretoria runs to the south of Moses Kotane Local Municipality. The R510 north-south bound road connect the Municipality to the north.

The Moses Kotane Local Municipality population was reported at 242 553 by 2011 STATSSA Census compared to 237 175 in Census 2001. The Municipality has a predominantly African population with fewer Indian, Coloured and White groups who mostly reside in the Sun City Resort residential complex and Mogwase Unit 2. It should be noted that the recognized legal statistics to be used in developing IDP's is from Census 2011.

Geographic information of households by 2011 was reported by STATSSA Census at 75 193 compared to 61 759 by Census 2001 with the same total number of demarcated wards. The Municipality is comprised of 31 Wards and is led by Council, the Speaker, Mayor and the Executive Committee. The Mayor is the Head of Executive Committee (EXCO) which comprises of 10 Councillors who are head of various departments and serve in portfolios. Proportional Representatives and Ward Councillors amount to 62.

Municipal Vision

"A caring and responsive municipality that is best to live in, work for, and do business with"

Municipal Mission

- Providing responsive, transparent and accountable leadership
- Creating an environment for business growth and job creation
- Providing sustainable services

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Population '000						
Age	2014/15 (Source: STATSSA)			2015/16 (Source: STATSSA)		
	Male	Female	Total	Male	Female	Total
Age: 0 - 4	14279	14128	28407	14279	14128	28407
Age: 5 - 14	21419	20973	42392	21419	20973	42392
Age: 15-34	44360	39752	84112	44360	39752	84112
Age: 35-64	33134	35732	68866	33134	35732	68866
Age: 65+	7330	11456	18786	7330	11456	18786

Natural Resources	
Major Natural Resource	Relevance to Community
Platinum	Job creation and economic development
Chrome	Job creation and economic development
Cement	Job creation and economic development
Game	Tourism

The Census 2011 reported a population growth of 0.2%. The current sources of data are not accurate in terms of planning for projections, noting the current growth in villages. The community do not come forward to register as indigents.

1.3. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

The following are the priorities that the Municipality had set out to provide in the 2014/2015 financial year:

- Water and sanitation
- Roads & storm water
- Electricity
- Economic Development
- Land and household

Most of the projects were dedicated to provision of water, considering the acute shortages in our villages.

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Number of households in the Municipality	75 193
Number of billed households in the Municipality	21 300
Number of registered indigent households (Municipal Data)	10 580
Number of indigent households with access to free basic water	10 580
Number of indigent households with access to free basic electricity	10 580

CHALLENGES

Indigent consumers who do not collect their Free Basic Electricity
Consumers who are possibly indigent not coming forward to disclose their status
Illegal housing occupation
Delays in land tenure upgrade programmes
Mushrooming of informal settlement
Housing accreditation

COMMENT ON ACCESS TO BASIC SERVICES:

Waste has been collected in all areas in the Municipality – especially in the “towns”. Challenges have however been experienced at the villages where the waste removal trucks have not been able to access the households due to narrow roads.

The provision of sanitation has been low in relation to the number of households in the municipality because the RDP houses built are provided with sanitation services.

Water connections to residential dwellings have been challenged by the dire shortage of water in the Municipality. This is compounded by the aged water infrastructure that the municipality together with the water provision partners i.e. Magalies Water board and Department of Water Affairs and Sanitation will be working on improving.

1.4. FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

The Moses Kotane Local Municipality is mostly dependent on grant income followed by rates and services income. The municipality's sustainability depends on the effective management of its resources, community effective contribution and participation in the budgeting process as well as by the payments of rates for services.

Illegal water connection and non-payments of rates and for services is a concern for the Municipality. It is a critical problem. The management's main focus is to ensure that all reasonable steps are taken to enhance debt collection. Better planning and control over expenditure and higher effectiveness of staff will also deliver results in the future.

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Financial Overview: year 2015/2016			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	343 350	343 304	463 233 033
Taxes, Levies and tariffs	210 613	224 607	224 332 584
Other	38 707	51 591	58 388 894
Sub Total	592 670	619 502	745 954 511
Less: Expenditure	686 972	711 704	626 014 871
Net Total*	-94 302	-92 202	119 939 640

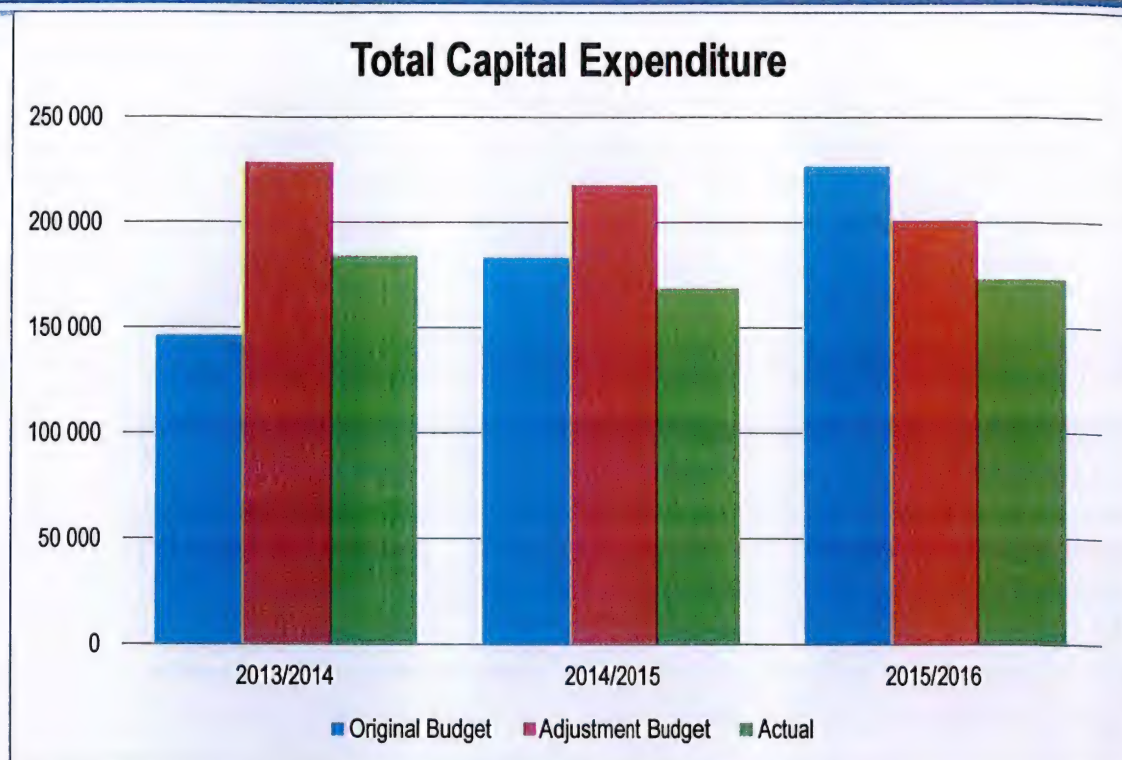
Operating Ratios	
Detail	%
Employee Cost	25%
Repairs & Maintenance	7%
Finance Charges & Impairment	14%

The Municipality has over the past years been maintaining a percentage ratio between 26% and 30% of employee costs. The target of an average of 10% for repairs and maintenance has not been achieved as maintenance plans had not been developed. These plans will be developed for the 2015/2016 financial year.

Total Capital Expenditure: Year 2013/2014 to Year 2015/2016			
			R'000
Detail	2013/2014	2014/2015	2015/2016
Original Budget	146 441	183 548	226 807
Adjustment Budget	228 572	217 807	201 007
Actual	184 279	168 864	173 205

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1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

The Municipality reviewed its organisational structure in 2016. New positions were created which still require budget to be filled.

1.6. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT: 2015/2016

The Auditor-General's responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the General Notice issued in terms thereof and International Standards on Auditing.

The municipality sustained the qualification audit opinion in the 2015/2016 financial year which means no improvement. This requires an introspection to evaluate the plan of action put in place in the 2015/2016 financial year. One of the plan is to go back and review the audit outcome for the two outer years to review recurring findings and plans that were put in place at that time – Auditor General proposed and agreed. Written commitment between the municipality, Audit committee and him to increase the monitoring of the municipal plans. It is assumed that these will change the performance of the municipality. Early warnings or deviations of the plan will be detected and corrected immediately instead of waiting for the end of the year.

Auditor General's report for the financial year under review is contained in Chapter 6 of this report.

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1.7. STATUTORY ANNUAL REPORT PROCESS

No	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft 2014/15 Annual Report to Internal Audit and Auditor-General	
5	Audit/Performance committee considers draft Annual Report of municipality	August
6	Mayor tables the unaudited Annual Report	
7	Municipality submits draft Annual Report including annual financial statements and performance report to Auditor General	
8	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
9	Auditor General audits Annual Report including Annual Financial Statements and Performance data	September - December
10	Municipalities receive and start to address the Auditor General's comments	January-March
11	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	
12	Audited Annual Report is made public and representation is invited	
13	Oversight Committee assesses Annual Report	
14	Council adopts Oversight report	March
15	Oversight report is made public	
16	Oversight report is submitted to relevant provincial councils	
17	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	April

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COMMENT ON THE ANNUAL REPORT PROCESS:

The IDP/PMS/ Budget Process Plan

It is required by legislation that a municipal council adopt a process to guide the planning, drafting and adoption of its IDP.

- MSA 28(1) *"each municipal council...must adopt a process set out in writing to guide the planning, drafting, adoption and review of its integrated development plan."*

IDP Process

The development, drafting and review of an Integrated Development Plan (IDP) is a lengthy planning process, rolling to a period of nine months, that needs to be properly planned, organised and followed carefully involving various internal and external municipal key stakeholders and participants at all levels as required by legislation, to engage all stakeholders in the plans.

The above as such, require a formalised strategy/business plan to be developed detailing all processes to be followed, roles and responsibilities of key stakeholders, time frames for the entire IDP review process. This process is very key and technical because it needs to look into institutional arrangements and preparedness of the municipality to ensure the development, credibility and sustainability of the document.

Legal Context

The Local Government: Municipal Systems Act, 32 of 2000 (MSA) and as amended, places the IDP at the top of municipal planning instruments by suggesting that an IDP, adopted by the Council of a Municipality, is the key strategic planning tool for the municipality. According to the mentioned Act it states that, the IDP is:

35(1)(a) *"...the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development in the municipality";*

(b) *"binds the municipality in the exercise of its executive authority..."*

Section 25 of the MSA further prescribes that:

"(1) Each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which –

- (a) links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality;*
- (b) aligns the resources and capacity of the municipality with the implementation of the plan;*
- (c) forms the policy framework and general basis on which annual budgets must be based;*
- (d) complies with the provisions of this Chapter; and*
- (e) is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation."*

In accordance with this legislation, Moses Kotane Local Municipality Integrated Development Plan, as a key planning document, has set up its long-term vision as follows:

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Municipal Vision

"A caring and responsive municipality that is best to live in, work for, and do business with"

The IDP also details and need to ensure the following as listed below:

- Development priorities and objectives, which contribute towards achieving this vision, over the Municipal Councils as their elected term of office
- Strategies, to ensure the means by which these objectives will be realised and achieved;
- IDP programmes and projects which link to the strategies and contribute to the achievement of the objectives.

The IDP and Budget need to be developed, reviewed and amended in accordance with the requirements set out in the :

- Municipal Systems Act 32 of 2000, the Local Government: Municipal Planning and Performance Management Regulations 2001 and the
- Municipal Finance Management Act 56 of 2003.

In terms of the Municipal Systems Act, a municipality is required to review its IDP annually. Annual reviews allow the municipality to re look into progress made and outstanding challenges that need to be done as planning for the next financial year.

The refined plans and strategies will have to include additional issues and to ensure that these plans and strategies inform institutional - capacity issues as in human and resources and also financial planning.

The review and amendment of the IDP thus, further develops the IDP and ensures that it remains the principal management tool and strategic instrument for the Municipality.

MSA 34 a Municipal Council –

"(a) must review its integrated development plan

- i) Annually in accordance with an assessment of its performance measurements and*
- ii) To the extent that changing circumstances so demand and*

(b) May amend its integrated development plan in accordance with a prescribed process"

Implementing PMS

Alignment of IDP, Budget and PMS

The IDP, Budget and Performance Management System processes must be seamlessly integrated. Integrated Development Plan fulfills the planning stage of Performance Management. Performance Management System in turn, fulfills the implementation management, monitoring and evaluation of the Integrated Development Plan. The performance of an institution/organisation is integrally linked to that of the employees or its staff. The employees need to ensure that they perform their duties to be able to realise their objectives. If employees do not perform, the institution will not achieve its intended objectives. The two are inseparable and that is why is the most critical and important to manage both at the same time.

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National Key Performance Areas

The Municipality is trying to align its Key Performance Areas to the five National Key Performance Areas as articulated in the DPLG five year strategy.

- i) Financial viability
- ii) Infrastructure development and service delivery
- iii) Good governance and public participation
- iv) Institutional transformation
- v) Local Economic development

National Key Performance Indicators

The Municipality must note that, it is important to ensure that its KPI's are aligned to the 7-National KPI's as determined and monitored by DPLG. The 7-National KPI's are the following:

- (i) Access to basic services
- (ii) Access to free basic services
- (iii) Level of capital spending
- (iv) Number of local jobs created
- (v) Progress on employment equity at senior management level
- (vi) Level of municipal expenditure on the workplace skills plan
- (vii) Financial viability with respect to: debt coverage, outstanding debtors in relation to revenue and cost coverage.

Municipal Key Performance Areas (Strategic Goals),

Objectives, Indicators and Targets

The three above need to be adopted during Strategic Planning Session and Moses Kotane Local Municipality did not hold a Strategic Planning session during the 2014/2015 financial year.

There are strategic goals adopted as follows:

Organisational Strategies for indicators and targets for the next five years.

The Strategic goal must explain on how the following will be realised:

- To provide basic sustainable services to the communities
This will include delivering on road maintenance and construction, sanitation, electricity provision and water infrastructure, Municipal buildings, delivering of houses and other facilities.
- To promote sound Environmental Management
Greening the economy, pollution issues, mining activities to be controlled, waste management, solid waste and removals, licensing the relevant infrastructure
- To provide sound governance for local communities
Engagements of Ward Committees, Community Development Workers, IDP Representative Forums, Traditional Leaders, Mining Houses, Sector departments and employees
- To ensure sound governance practices within the Municipality
Corporate governance practices
Compliance Management; Best practices Management; Risk Management, Business leadership / financial management

Moses Kotane

Chapter 1

Planning for Performance

Service Delivery and Budget Implementation plans (SDBIP)

MFMA of 2003 Section 53 (c) iii require municipalities to compile and submit SDBIPs to the Executive Mayor within 28 days after the adoption of the budget by Council.

The SDBIPs are directly translated from the adopted IDP and Budget. They are regarded as the management and implementation tools of the IDP.

The Mayor approves the SDBIPs and they will form the basis for Performance Management of individuals within Moses Kotane.

The SDBIPs will determine the development and signing of performance agreements for section 57 employees

- The Acting Municipal Manager, Senior Managers and in our case Head of Departments – HOD's, are the ones held responsible for service delivery. The signed performance agreements are translated into Individual Performance Plans for all the staff members of the institution. This factor is still a challenge within Moses Kotane.

In accordance with National Treasury Circular No. 13, departmental SDBIPs will be consolidated into an organisational SDBIP which will include the following:

- Projection of revenue by source
- Projection of revenue and expenditure by vote; and
- Service delivery targets and performance indicators for each quarter

The standard format/framework for all departments needs to be developed for compilation of departmental SDBIP's. The IDP will record annual targets and the departments will ensure quarterly development of the SDBIP.

Performance Monitoring, Measuring and Reviewing

Performance Monitoring is a continuous process that runs parallel with the implementation of the IDP. The IDP is regarded as forward planning. The process entails collection, storage, verification and analysis of performance data in order to compare current performance with previous financial years and baseline indicators.

The IDP is not meant for a specific department, but all directorates, departments, sections and individuals within the Municipality. Everybody needs to take responsibility to collect relevant data/statistics to support the monitoring process.

Site visits to projects or evidence of performance is gathered and presented to substantiate claims of meeting/not meeting performance standards as adopted by Council and promised to our communities.

Performance Reporting

MFMA No. 56 of 2003 Section 52 requires the Mayor to submit a report on the implementation of the budget and the financial state of affairs of the municipality to council within 30 days after the end of each quarter.

Moses Kotane

Chapter 1

All quarterly performance reports are due for submission to the PMS office seven days after the end of each quarter. This will enable the office to compile a consolidated report on time to meet the requirements of the Act.

The same quarterly performance reports will further be consolidated into an annual performance report to be considered by council within 9 months after the end of each financial year in order to meet the requirements of Section 121 of the MFMA.

Moses Kotane

Chapter 2

CHAPTER 2 – GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Moses Kotane Local Municipality is a B-type municipality graded on level 4. It is operating on a collective executive system.

The municipality has a Council that has been elected by its community. The Council has the constitutional authority to ensure that there is development in its area of jurisdiction by providing sustainable services; promote social and economic development; promote safe and healthy environment and encourage the involvement of communities and community organisation in local government matters.

Politicians exercise oversight over service delivery implementation by interacting with administrative management and the relevant reports through the Portfolio Committees and the Executive Committee meeting.

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

The municipality is a collective executive type municipality where the Mayor is the Chairperson of the Executive Committee comprising of 10 executive councillors assigned responsibilities of overseeing administrative portfolios. Furthermore, there are committees established in terms of section 79 of the Municipal Structure's Act to provide oversight and report to the Council. The two committees established are Municipal Public Accounts Committee (MPAC) and Audit Committee. The MPAC serves as Council Oversight committee on the administration activities of the Municipality. The Audit Committee advises Council on matters relating to internal controls; risk management and governance process. The Municipality utilises the services of the Bojanala Platinum District Municipality Share Audit Committee Services and have played a pivotal role in performing an oversight role over financial and performance management during the financial year, including the annual report.

Chapter 2

POLITICAL STRUCTURE

MAYOR

Cllr Ralesole Diale



SPEAKER

Cllr Sipho Vava



SINGLE WHIP

Cllr Maria Matshaba

Moses Kotane

Chapter 2

MAYORAL COMMITTEE/ EXECUTIVE COMMITTEE

Committee	Chairing Councillor
Community services	Lawrence Kapari
Finance	Dotty Tlabyane
IDP, PMS, IGR & Town planning	Thomas Manganye
Local Economic Development	Caroline Motshabi
Housing (Human Settlements) and Corporate Support Services	Nketu Nkotswe
Infrastructure & Technical services	Ezekiel Mashimo
Special projects	Dithoti Tshetlhane
Without portfolio	Amos Setou
Without portfolio	Kabelo Lesele

COUNCILLORS

There are 31 Ward Councillors who are directly elected by communities and 31 Proportional Representative Councillors and in addition there are 10 traditional leaders who serve in the Municipality as proportional Councillors and they also serve in the municipal portfolios. In total there are 72 Councillors.

Moses Kotane

Chapter 2

Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented
	FT/PT		
Deleki Nomawisile	PT	LED & Rural Dev.	PR (ANC)
Diale Ralesole Abram (Speaker)	FT	Council	PR (ANC)
Khunou Mitah Khutsafalo	PT	Special Projects	Ward 22 (ANC)
Leoto Daniel	PT	Mpac & Corporate Services Infrastructure & Technical Services	Ward 08 (ANC)
Lephoto Elizabeth(ACDP)	PT	Community Services & LLF	PR (ACDP)
Lesele Kabelo (COPE)	FT	Corporate Services	PR (COPE)
Letlape Abednico	PT	Human Settlement	Ward 15 (ANC)
Tshwenyego	PT	Community Services	Ward 28 (ANC)
Lukhele Rose Mpula	PT	LED & Rural Dev. Infrastructure & Technical Services	Ward 24 (ANC)
Magodiello Abish	PT	IDP & PMS	Ward 27 (Independent)
Makgothi	PT	Finance	Ward 17 (ANC)
Thompson(Independent)	FT	Infrastructure & Technical Services, Corporate Services	PR (ANC)
Manganye Bushy	PT	Infrastructure & Technical Services, Corporate Services	PR (UCDP)
Manganye Thomas	FT	IDP & PMS, Special Projects Community Services, MPAC & LLF	PR (ANC)
Raymond (EXCO Member)	PT	LED & Rural Dev.	Ward 14 (ANC)
Maretele Joy (UCDP)	FT	Caucus	PR (ANC)
Mashimo Ratselana Ezekiel (EXCO Member)	PT	Community Services & Special Projects	Ward 11 (ANC)
Mashishi Stephina	PT	Infrastructure & Technical Services	Ward 19 (ANC)
Ntebatseng	PT	Infrastructure & Technical Services	Ward 03 (ANC)
Masilo Jafta	PT	Human Settlement	PR (COPE)
Matlapeng Seipati Sarah	PT	Finance	PR (ANC)
Matshaba Maria Zippora (Whip)	PT	Human Settlement	PR (ANC)
Matshereng Efesia	FT	Community Services & Infrastructure	PR (ANC)
Kgothatso Kodongo	FT	Infrastructure	PR (ANC)
Mkhandawiri Pule	PT	IDP & PMS	PR (ANC)
Mngomezulu Phillip (COPE)	PT		Ward 29 (Independent)
Moate Lucky Lucas	PT		
Moatshe George Daniel	PT		
Lawrence Kapari (EXCO Member)	FT		
Moeng Toto (Independent)	PT		

Moses Kotane

Chapter 2

Mokgathe Martha Masefudi	PT	Community Services & Special Projects	PR (ANC)
Mokati-Thebe Fetsang (Mayor)	FT	Executive Committee	PR (ANC)
Moloi Ntsebenj	PT	IDP & PMS	Ward 06 (ANC)
Monnakgotla Chonko Triphosa	PT	IDP & PMS & MPAC	Ward 30 (ANC)
Monyatsi Mpho	PT	Corporate Services	Ward 31 (ANC)
Moraope Sina (COPE)	PT	Finance	PR (COPE)
Moruwa Ellah (DA)	PT	No Allocation	PR (DA)
Motlhaga Ruth	PT	Finance	Ward 13 (ANC)
Motshabi Caroline Nkeifeng (EXCO Member)	FT	LED & Rural Dev. & Community Services	PR (ANC)
Motshegoe Desia	PT	Human Settlement Infrastructure & Technical Services & Special Projects	Ward 9 (ANC)
Lilian Poloko Lesomo	PT	LED & Rural Dev.	PR (ANC)
Motswenyane Zippora (DA)	PT	Human Settlement Special Projects, Finance & MPAC	PR (ANC)
Moyo Florah	PT	Human Settlement & Finance Corporate Services & Human Settlement	Ward 2 (ANC)
Ndlovu Hazel	PT	IDP & PMS	Ward 1 (ANC)
Nhlapo Lindiwe	PT	No Allocation	Ward 04 (ANC)
Nkotswe Nketu (EXCO Member)	FT	Infrastructure & Technical Serv.	Ward 23 (ANC)
Nondzaba Magdeline	PT	IDP & PMS	PR (ANC)
Ntshabele Saltiel	PT	No Allocation	Ward 07 (ANC)
Pele Julia	PT	Infrastructure & Technical Serv.	Ward 25 (ANC)
Pheto Rose	PT	IDP & PMS	Ward 16 (ANC)
Radiokana Mamikie	PT	Corporate Services	Ward 18 (ANC)
Lizamile Bili (DA)	PT	MPAC & Corporate Services Special Projects	PR (DA)
Ramapotoka George	PT	Community Services & Finance	PR (ANC)
Ramokoka Aaron	PT	Finance	Ward 12 (ANC)
Rasepae III Maganelo (UCDP)	PT	MPAC & Community Services	PR (UCDP)
Sekao Hendrick	PT	No Allocation	Ward 26 (ANC)
Sekhu Selina Keitumetse	PT	LED & Rural Dev.	PR (ANC)
Setou Amos (UCDP) (EXCO Member)	FT	Corporate Services	PR (UCDP)
Tau Dipuo	PT	Infrastructure & Technical Serv.	Ward 5 (ANC)
John Monaise (COPE)	PT	MPAC	PR (COPE)
Tlabyane Dotty Rose (EXCO Member)	FT	Finance	PR (ANC)
Tshetlhane Dithothi (EXCO Member)	FT	Special Projects & LED	Ward 20 (ANC)
Tshite Lekuka Moruakgomo	PT	MPAC & LLF	PR (ANC)
Joel	PT	MPAC, LLF & Special Projects	PR (ANC)
Selotlego Dikeledi Joyce	PT		

Moses Kotane

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Vava Sipho (MPAC Chairperson)	FT	MPAC	Ward 21 (ANC)
Zitha Lerato	PT	Human Settlement	Ward 10 (ANC)
Traditional Leaders			
Kgosi Mabe			
Kgosi Sefanyetso			
Kgosigadi Sedumedi			
Kgosi Mogagabe			
Kgosi Mogale			
Kgosi Legoale			
Kgosi Mooketsi			
Kgosi Maotwe			

Moses Kotane

POLITICAL DECISION-TAKING

MONTH	ITEM No.	ITEM DESCRIPTION
15 July 2015	09/07/2015:	PROPOSED SCHEDULES FOR MEETING OF PORTFOLIO COMMITTEES AND COUNCIL FOR FINANCIAL YEAR 2015/2016 (3/2/2/1)
	11/07/2015:	REQUEST FOR THE EXTENSION OF ACTING HEAD OF CORPORATE SERVICES DEPARTMENT
	203/03/2015:	REPORT ON IMPLEMENTATION OF INTEGRATED MARKETING AND COMMUNICATION STRATEGY 2014/2015 (FOR THIRD QUARTER)
	204/03/2015:	REPORT ON IMPLEMENTATION OF THE THIRD QUARTER OF THE INTEGRATED CORPORATE CALENDAR 2014/2015
	238/05/2015:	PROPOSED TOWNSHIP ESTABLISHMENT ON PORTION 11 OF THE FARM FRISHGEWAARD 96 JQ, NORTH WEST PROVINCE
	239/05/2015	FREE BASIC ALTERNATIVE ENERGY (FBAE) IMPLEMENTATION
	244/05/2015:	REPORT ON ESTABLISHMENT OF BOJANALA DISTRICT LAND COMMITTEE
	246/05/2015:	DRAFT SPATIAL PLANNING AND LAND USE MANAGEMENT BY-LAW

Moses Kotane

MONTH	ITEM No.	ITEM DESCRIPTION
	248/05/2015:	REPORT ON THIRD SUPPLEMENTARY VALUATION ROLL FOR THE PERIOD 2012/2016 (5/2/2)
	249/06/2015:	PROGRESS REPORT ON 2013-14 AND 2014-15 MUNICIPAL INFRASTRUCTURE GRANT (MIG) PROJECT
	250/06/2015:	ADJUSTMENTS BUDGET 2014/2015 INFRASTRUCTURE PROJECTS
	256/06/2015:	FINANCIAL REPORT FOR MAY 2015 (7/15/1/2/1)
	257/06/2015:	SUPPLY CHAIN MANAGEMENT REPORT FOR MAY 2015
	258/06/2015:	SPECIAL ADJUSTMENT BUDGET TO AUTHORISE THE UNAUTHORISED EXPENDITURE FOR 2009/2010, 2010/2011, 2011/2012 AND 2013/2014 FINANCIAL YEARS (5/17/2)
	259/06/2015:	ADJUSTMENTS BUDGET 2014/2015 (15/1/1/1/2014/2015)
	261/06/2015:	PROVISION FOR ASSISTIVE DEVICES TO DISABLED
	270/06/2015	REPORT ON THE FORMATION OF JOINT MUNICIPAL PLANNING TRIBUNAL (JMPT) BETWEEN MOSES KOTANE, KGETLENG-RIVIER & MORETELE LOCAL MUNICIPALITIES
	271/06/2015:	APPLICATION FROM "HOLY LIFE MINISTRIES" CHURCH FOR THE

Moses Kotane

MONTH	ITEM No.	ITEM DESCRIPTION
		DISPOSAL OF ERF 1497 UNIT 4, MOGWASE TOWNSHIP.
	01/07/2015	APPLICATION TO RENT MUNICIPAL OWNED LAND FOR ESTABLISHMENT OF BRICK MANUFACTURING PLANT: PART OF PORTION 1 OF THE FARM KLIPFONTEIN 60 JQ
	03/07/2015	PERFORMANCE MANAGEMENT SYSTEM FRAMEWORK FOR 2015/2016
	05/07/2015:	SIGNING OF TWINNING AGREEMENT BETWEEN MOSES KOTANE LOCAL MUNICIPALITY AND HORSTEL MUNICIPALITY
	06/07/2015:	REPORT ON BOKONE BOPHIRIMA MAIZE TRIANGLE TOURNAMENT
31 August 2015	160/02/2015:	RESCINDMENT AND RESCUCITATION OF PART OF ITEM 119/02/2012 BRICKYARD PROJECT
	223/04/2015:	GRIEVANCE BY PUMP OPERATORS
	262/06/2015:	REPORT ON THE SUBMISSION OF THE WORKPLACE SKILLS PLAN FOR 2015/2016 FINANCIAL YEAR
	266/06/2015:	REPORT ON THE INTERNSHIP PROGRAMME
	267/06/2015:	HR REPORT ON APPOINTMENTS, TERMINATIONS AND PROMOTIONS (APRIL-JUNE 2015)

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MONTH	ITEM No.	ITEM DESCRIPTION
	268/06/2015:	REPORT ON THE PROPOSED PLACEMENT OF CRIMSON LEARNERS FOR A LEARNERSHIP PROGRAMME
	269/06/2015:	REPORT ON EMPLOYMENT EQUITY ACT AMENDMENTS
	02/07/2015:	ROADS, STORMWATER AND ELECTRICITY MONTHLY REPORT AND ROAD RESEALING REPORT JUNE 2015
	07/07/2015:	FINANCIAL REPORT FOR JUNE 2015 (7/15/1/2/1)
	08/07/2015:	SUPPLY CHAIN MANAGEMENT QUARTELY REPORT FOR 2015
	10/07/2015:	INTEGRATED CORPORATE CALENDAR 2015/2016
	12/07/2015:	SALARY STRUCTURE FOR THE HEADS OF UNITS
	13/07/2015:	RESUSCITATION OF THE MOSES KOTANE TOURISM WORKING GROUP
	15/07/2015:	REPORT BACK ON MEETINGS AFRICA 2015
	17/07/2015:	REPORT BACK ON THE DURBAN TOURISM INDABA: 09 -11 MAY 2015
	18/07/2015:	REPORT ON THE NORTH WEST PROVINCIAL LEGISLATURE PORTFOLIO COMMITTEE ON TOURISM

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MONTH	ITEM No.	ITEM DESCRIPTION
	20/07/2015:	PROGRESS REPORT ON 2015 AND 2016 MUNICIPAL INFRASTRUCTURE GRANT (MIG) PROJECT
	21/07/2015:	COMMUNICATION STRATEGY 2015/ 2016
	22/07/2015:	REPORT ON SIGNED MEMORANDUM OF AGREEMENT BETWEEN MOSES KOTANE LOCAL MUNICIPALITY AND NATIONAL DEPARTMENT OF ENVIRONMENTAL AFFAIRS
	23/07/2015:	NEW MOGWASE LANDFILL PROGRESS REPORT
	24/07/2014:	ADOPTION OF ENVIRONMENTAL BY LAW
	25/07/2015:	REPORT ON MOGWASE CLEAN UP CAMPAIGN
	27/07/2015:	DRAFT IDP/PMS AND BUDGET PROCESS PLAN FOR FINANCIAL YEAR 2015/2016
	29/07/2015:	APPLICATION FOR PURCHASE AND DEVELOPMENT OF A PORTION OF ERF 1494 UNIT 4, MOGWASE
	32/07/2015:	REVISED LED FRAMEWORK BY THE DEPARTMENT OF COOPERATIVE GOVERNANCE (DCoG)

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MONTH	ITEM No.	ITEM DESCRIPTION
	33/07/2015:	DRAFT METERED TAXIS, BUSES & MINI- BUSES LAW ENFORCEMENT BY - LAW
	34/07/2015:	PROGRESS REPORT ON TLOKWENG LIBRARY
10 September 2015	50/09/2015:	APPOINTMENT OF ACTING MUNICIPAL MANAGER
	51/09/2015:	ESTABLISHMENT AND SIGNING OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE MUNICIPALITY AND THE BAKGATLA BA KGAFELA TRADITIONAL AUTHORITY
	52/09/2015:	FEED BACK ON TRIP TO GERMANY
	53/09/2015:	SHARED SERVICES MODEL AS RESOLVED BY THE BOKONE BOPHIRIMA PROVINCIAL CO-ORDINATING COUNCIL
15 September 2015	56/09/2015:	EXTENSION OF MS. NONO DINCE AS THE ADMINISTRATOR OF NGAKA MODIRI MOLEMA DISTRICT MUNICIPALITY
	50/09/2015:	APPOINTMENT OF ACTING MUNICIPAL MANAGER
29 October 2015	37/08/2015:	REPLACEMENT OF CONGRESS OF THE PEOPLE (COPE) PR COUNCILLOR KABELO LESELE BY NEW COUNCILLOR BASI JOHANNES MATJILA.

Moses Kotane

MONTH	ITEM No.	ITEM DESCRIPTION
	54/09/2015:	FINANCIAL REPORT FOR JULY 2015 (7/15/1/2/1)
	55/09/2015	FINANCIAL REPORT FOR AUGUST 2015 (7/15/1/2/1)
	57/09/2015:	SUPPLY CHAIN MANAGEMENT MONTHLY REPORT FOR JULY 2015
	58/09/2015:	SUPPLY CHAIN MANAGEMENT MONTHLY REPORT FOR AUGUST 2015
	64/10/2015:	INCLUSION OF WAR ROOM DESK IN THE SPECIAL PROJECTS PORTFOLIO
	65/10/2015:	LAUNCHING OF BURSARY FUNDING
29 January 2016	92/11/2015	REPORT ON THE APPOINTMENT OF TWO SERVICE PROVIDERS- REBATHARI TRADING CC AND REAGETSWE TRADING CC.
	132/01/2016:	ELECTION OF EXECUTIVE MEMBER TO REPLACE CLR KABELO LESELE
	133/01/2016:	WITHDRAWAL OF APPOINTMENT OF MUNICIPAL ELECTORAL OFFICER
	148/02/2015:	POLICY REVIEW IN RESPECT OF MUNICIPAL ASSISTANCE FOR MEMORIAL SERVICES, FUNERAL ARRANGEMENTS AND CIVIC FUNERAL (11/3/2)

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MONTH	ITEM No.	ITEM DESCRIPTION
	253/06/2015:	APPLICATION FOR THE REZONING OF ERF 421, MOGWASE UNIT 1 TOWNSHIP FROM "RESIDENTIAL 6" TO "SPECIAL" FOR THE PURPOSE OF ESTABLISHING A MEDICAL CENTER
	45/08/2015:	RESCINDING OF COUNCIL RESOLUTION NUMBER 44/09/2014
	70/10/2015:	APPLICATION FOR SUBDIVISION OF ERF 554 IN UNIT 1, MOGWASE
	73/10/2015:	LABOUR COURT JUDGEMENT ON THE DISCIPLINARY CODE OF THE SALGBC AND ITS IMPLICATIONS
	77/10/2015:	LOCAL LABOUR FORUM REVIEWED SCHEDULE
	78/10/2015:	CIRCULAR NO.08/2015: SALARY AND WAGE COLLECTIVE AGREEMENT
	79/10/2015:	SUPPLY CHAIN MANAGEMENT MONTHLY REPORT FOR SEPTEMBER 2015
	81/10/2015:	SETSWANA BOOKS & READING FESTIVAL
	82/11/2015:	REPORT ON FLEET MANAGEMENT SYSTEM AND CONTROL
	83/11/2015:	MADIKWE LANDFILL SITE

Moses Kotane

MONTH	ITEM No.	ITEM DESCRIPTION
	84/11/2015:	OLD MOGWASE LANDFILL REHABILITATION PHASE 2 PROGRESS REPORT
	85/11/2015:	REPORT ENVIRONMENTAL CRIMES CONFERENCE ATTENDED BY MOSES KOTANE LOCAL MUNICIPALITY
	86/11/2015:	PROGRAMME FOR NORTH WEST YOUTH FOR JOBS 02 NOVEMBER 2015 - OCTOBER 2016
	87/11/2015:	REPORT ON MAINTENANCE FOR MUNICIPAL BUILDINGS
	88/11/2015:	REPORT AIR QUALITY LEKGOTLA CONDUCTED BY MOSES KOTANE LOCAL MUNICIPALITY
	97/11/2015:	TO REPORT ON CRIME PREVENTION AND ROAD SAFETY EDUCATION OPERATIONS.
	98/11/2015:	TO REPORT ABOUT PROLASER 111 (WITNESS) SPEED MACHINE
	100/11/2015:	REPORT OF 1 st ROUND OF IDP COMMUNITY CONSULTATION PROCESS FOR FINANCIAL YEAR 2016/2017
	102/11/2015:	REPORT ON IMPLEMENTATION OF INTEGRATED MARKETING AND COMMUNICATION STRATEGY 2015/2016 (FOR FIRST QUARTER)

Moses Kotane

MONTH	ITEM No.	ITEM DESCRIPTION
	107/11/2015:	FIRST QUARTERLY PERFORMANCE REPORT FOR THE 2015/2016 FINANCIAL YEAR
	108/11/2015:	COMMUNICATION POLICY 2015/ 2016
	109/11/2015:	REPORT OF THE LOCAL COMMUNICATION FORUM MEETING
	110/11/2015:	INCLUSION OF PROJECTS IN THE INTERGRATED DEVELOPMENT PLAN (IDP) 2016-17
	111/11/2015:	SUPPLY CHAIN MANAGEMENT MONTHLY REPORT FOR OCTOBER 2015
	112/11/2015:	FINANCIAL REPORT FOR SEPTEMBER 2015 (7/15/1/2/1)
	113/11/2015:	FINANCIAL REPORT FOR OCTOBER 2015 (7/15/1/2/1)
	114/11/2015:	REPORT ON FREE BASIC ELECTRICITY OCTOBER 2015 (7/15/1/2/1)
	118/01/2016:	FINANCIAL REPORT FOR NOVEMBER 2015 (7/15/1/2/1)
	119/01/2016:	FINANCIAL REPORT FOR DECEMBER 2015 (7/15/1/2/1)
	120/01/2016:	MID-YEAR BUDGET PERFORMANCE ASSESSMENT REPORT FOR THE PERIOD 31 DECEMBER 2015

Moses Kotane

MONTH	ITEM No.	ITEM DESCRIPTION
	123/01/2016:	DETERMINATION OF UPPER LIMITS FOR REMUNERATION OF DIFFERENT MEMBERS OF THE MUNICIPAL COUNCIL SALARIES, ALLOWANCES AND BENEFITS OF COUNCILLORS FOR THE FINANCIAL YEAR 2015/2016
	124/01/2016:	ADJUSTMENTS BUDGET TO AUTHORISE UNAUTHORISED EXPENDITURE
	130/01/2016:	ANNUAL REPORT FOR THE 2014/2015 FINANCIAL YEAR
	131/01/2016:	MUNICIPAL BUDGET CIRCULAR FOR THE 2016/17 MTREF (15/1/1)
	99/11/2015:	REPORT ON THE PROVINCIAL PUBLIC ACCOUNTS COMMITTEE RESOLUTIONS
	128/01/2016:	DRAFT MPAC PROGRAM FOR THE PUBLIC HEARING PROCESSES ON THE ANNUAL REPORT 2014/2015
25 February 2016	142/02/2016:	FINANCIAL REPORT FOR JANUARY 2016 (7/15/1/2/1)
	143/02/2016:	ADJUSTMENTS BUDGET 2015/2016 (15/1/1/) 2015/2016
	144/02/2015:	REPORT ON FREE BASIC SERVICES JANUARY 2016 (7/15/1/2/1)
	145/02/2016:	SUPPLY CHAIN MANAGEMENT MONTHLY REPORT FOR JANUARY 2016

Moses Kotane

MONTH	ITEM No.	ITEM DESCRIPTION
	146/02/2016:	AMENDMENT OF IDP PUBLIC PARTICIPATION SCHEDULE 2 nd SESSION - 2016/2017
31 March 2016	151/03/2016:	REPLACEMENT OF CONGRESS OF THE PEOPLE (COPE) PR COUNCILLOR SINAH SETSHEGO MORAOPE BY NEW COUNCILLOR EVAH SENTSE LETLAPE
	147/03/2016:	DRAFT BUDGET AND MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2016/2017 TO 2018/2019 (5/1/1-2016/2017)
	150/03/2016	REVISED SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) FOR 2015/2016 FINANCIAL YEAR
	152/03/2016	DRAFT IDP REVIEW FOR FINANCIAL YEAR 2016/2017
	153/03/2016:	RESIGNATION OF THE MUNICIPAL MANAGER
	MPAC155/03/2016:	MUNICIPAL PUBLIC ACCOUNTS COMMITTEE OVERSIGHT REPORT ON THE ANNUAL REPORT 2014/2015 FINANCIAL YEAR
31 MAY 2016	197/05/2016:	TO SUBMIT RULES OF ORDER FOR THE MOSES KOTANE LOCAL MUNICIPALITY FOR REVIEW (1/3/1/1/1)
	182/05/2016	FINANCIAL REPORT FOR MARCH 2016 (7/15/1/2/1)

Moses Kotane

MONTH	ITEM No.	ITEM DESCRIPTION
	33/07/2015	METERED TAXIS, BUSES & MINI BUSES BY-LAW (PUBLIC TRANSPORT BY-LAW)
	43/08/2015	DRAFT REVIEWED ORGANISATIONAL STRUCTURE (2015)
	69/10/2015:	SPATIAL PLANNING AND LAND USE MANAGEMENT DRAFT BY-LAW
	121/01/2016	APPLICATION FOR DIVISION, CONSOLIDATION AND REZONING OF PORTION 2 OF THE FARM ZANDSPRUIT 168 JP
	122/01/2016:	NEW GENERAL VALUATION ROLL FOR 2016 TO 2021 IN TERMS OF THE LOCAL GOVERNMENT: MUNICIPAL PROPERTY RATES ACT, 2004, AS AMENDED (5/2/2)
	125/01/2016:	ICT REVAMP PROJECT PROGRESS REPORT
	126/01/2016:	IMPLEMENTATION OF INTEGRATED MARKETING AND COMMUNICATION STRATEGY 2015/2016
	127/01/2016:	SECOND QUARTER REPORT ON IMPLEMENTATION OF THE INTEGRATED CORPORATE CALENDAR 2015/2016
	129/01/2016:	REVIEW OF RECORDS MANAGEMENT COMMITTEE

Moses Kotane

MONTH	ITEM No.	ITEM DESCRIPTION
	134/02/2016	PROGRESS REPORT ON IMPLEMENTATION OF COUNCIL RESOLUTIONS: JULY 2015 TO OCTOBER 2015
	140/02/2016:	APPLICATION FOR SPECIAL CONSENT OF THE COUNCIL TO USE ERF 936, MOGWASE UNIT 3 TOWNSHIP FOR THE PURPOSES OF A FILLING STATION AND INCLUDING A CONVENIENT STORE, OFFICES, WHOLESALERS, RESTURANT, BUTCHERY, LIQUOR STORE, ABLUTION FACILITIES, CAR WASH FACILITY, AND PARKING AREA AND ANY OTHER LAND USES ASSOCIATED WITH BUSINESS ZONING
	141/02/2016:	APPLICATION FOR THE REZONING OF ERF 761, MOGWASE UNIT 2 TOWNSHIP FROM "RESIDENTIAL 6" TO "SPECIAL" FOR THE PURPOSE TO OPERATE A GUESTHOUSE
	148/03/2016:	PROGRESS REPORT ON 2015/2016 MUNICIPAL INFRASTRUCTURE GRANT (MIG) PROJECTS
	156/03/2016:	REPORT ON THE ESTABLISHMENT THE DROP OFF CENTRES IN VILLAGES AS PER THE SIGNED MEMORANDUM OF AGREEMENT BETWEEN MOSES KOTANE LOCAL MUNICIPALITY AND NATIONAL DEPARTMENT OF ENVIRONMENTAL AFFAIRS
	157/03/2016:	AWARENESS CAMPAIGNS AND OPERATIONS ON ROAD SAFEY AND CRIME PREVENTION ISSUES CONDUCTED

Moses Kotane

MONTH	ITEM No.	ITEM DESCRIPTION
	158/03/2016:	PRODUCTION ON ROAD TRAFFIC OFFENCES ISSUED FROM AUGUST 2015 TO FEBRUARY 2016.
	159/03/2016:	PROPOSED ORGANIZATIONAL STRUCTURE FOR THE DEPARTMENT OF COMMUNITY SERVICES
	160/03/2016:	REPORT ON MAYORAL VEHICLE Q7 AUDI REG: HVK 577 NW
	184/03/2016:	SUPPLY CHAIN MANAGEMENT MONTHLY REPORT FOR MARCH 2016
	163/04/2016:	IMPLEMENTATION OF EPWP 2015/16 FINANCIAL YEAR
	165/04/2016:	INFO DESK AT PILANESBERG INTERNATIONAL AIRPORT
	167/04/2016:	REPORT BACK ON MEETINGS AFRICA 2016
	168/04/2016:	INFORMAL TRADERS UPLIFTMENT PROJECT
	169/04/2016:	APPLICATION FOR CONDONATION AND EXTENSION OF TIME FOR THE DEVELOPMENT ON PORTION 15 AND PORTION 16 OF THE REMAINING EXTENT OF THE FARM OLIVENBOOM 62 JQ FOR DEVELOPMENT OF AND, CONVENIENT STORE, CAR WASH, HOTEL AND A RESTURANT

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MONTH	ITEM No.	ITEM DESCRIPTION
	170/04/2016:	THIRD QUARTER REPORT ON IMPLEMENTATION OF THE INTEGRATED MARKETING AND COMMUNICATION STRATEGY 2015/2016
	171/04/2016:	THIRD QUARTER REPORT ON IMPLEMENTATION OF THE INTEGRATED CORPORATE CALENDAR 2015/2016
	172/04/2016:	TERMS OF REFERENCE FOR INTERNAL COMMUNICATION FORUM
	173/04/2016:	DRAFT EVENTS MANAGEMENT POLICY 2015/ 2016
	185/05/2016:	IMPLEMENTATION OF ITEM 66/ 10/2015 (LAUNCHING OF MORAL REGENERATION DESK)
	188/05/2016:	FINAL AMENDED IDP REVIEW FOR FINANCIAL YEAR 2016/2017
	183/05/2016:	BUDGET AND MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2016/2017 TO 2018/2019 (5/1/1-2016/2017)

The above resolutions are taken by Council through recommendations of EXCO. EXCO considers submissions made by the various Portfolio committees. Management sees to the implementation of the resolutions. The above resolutions have been implemented.

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2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

Section 82 of the Municipal Structure Act 117 of 1998 amended that the Municipality must appoint the Municipal Manager, who is the head of Administration and therefore Accounting Officer.

Section 51(i) of the Systems Act states that the municipality must organise its administration in a manner that enables it to hold the Municipal Manager accountable for the overall performance of the municipality.

Municipal Manager must manage the communication between the political structure and office-bearers and the administration (S 55(1) (j) of the Systems Act). The Municipal Manager has to exercise responsibilities subject to the policy directions of the Council. As the Accounting Officer, the Municipal Manager is also responsible for all income and expenditure, all assets and discharge of liabilities of the municipality and the compliance with the municipal finance management legislation.

In terms of section 55 of the Local Government: Municipal Systems Act 32 of 2000, as amended the Municipal Manager as head of administration is subject to policy directives of the Municipal Council responsible for the formation and development of an efficient, economical, effective and accountable administration and must manage the municipality in accordance with all legislation and policies pertaining to Local Government. In terms of Section 54 of Local Government: Municipal Systems Act 32 of 2000, as amended, the Council in consultation with the Municipal Manager must appoint managers who are directly responsible to the Municipal Manager and who must have the relevant and requisite skills and expertise to perform the duties associated with the posts they each occupy.

The Acting Municipal Manager and Head of Departments form the Senior Management core and all Head of Departments are accountable to the Acting Municipal Manager in terms of strategic management and oversight of their departments. All budget expenditure in each department is managed by the relevant Head of Departments in order to ensure that service delivery matters are handled quickly.

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TOP STRUCTURE

	Mr P. Shikwane Acting Municipal Manager	As head of administration and Accounting Officer of the municipality the Acting Municipal Manager is subject to the policy directions of the municipal Council and is responsible and accountable for duties and responsibilities outlined under Section 55 of the Local Government: MSA, Act 32 of 2000, as amended and any other relevant duties as may be delegated by the Mayor and Council
	Ms T. Jalvan Acting Head of Department: Corporate Services	The Acting Head of Department is responsible for establishing and maintaining structures, with the parameters of legality and good governance, that will provide Administration that is appropriately relevant, Legal Support, Human Resource Management; and IT

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	<p>Ms O. Ndlovu Chief Financial Officer</p>	<p>This Department is responsible for ensuring effective and efficient strategic management of the finance portfolio, which includes budgetary management, financial accounting management, SCM, Credit Control Management, investment and banking, treasury management, and risk management.</p>
	<p>Mr T. Chiloane Head of Infrastructure & Technical services</p>	<p>This Department is responsible for all Water, Sanitation, Electricity and Roads Services of the Municipality as well as well-established and well maintained infrastructure that will stimulate growth, resulting in a broader income base, and that will encourage taxpayers to sustain payments because of well-established and well-maintained infrastructure</p>
	<p>Mr C. Molokoane Head of Department: Community Services</p>	<p>This Department is responsible for Environmental and Waste Management, Traffic, Security and Library Services</p>

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Mr A. Sefanyetso
Head of Department:
Planning &
Development

This Department is responsible
for Housing, Town Planning LED
Services

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COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

The municipality shares platform with and at the following forums:

- Provincial sector departments and private sector stakeholders through (but not limited to) the IDP representative forums. Other engagements are held as and when necessary.
- SALGA working committee groups where respective councillors attend;
- Provincial Municipal Managers' forum;
- District IGR forum
- Provincial Communicators' forum
- Mining Community Development forum
- Mining Leadership forum
- Provincial IDP Rep forum
- District Representative forum

The municipality was identified as one of 7 pilot municipalities by the Department of Local Government and Traditional Affairs for the LG Management Improvement Model assessment, which is a self-assessment process on the management practices and work place capabilities, moderated by the Provincial Department.

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COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

MPAC is established in terms of section 79 of the Municipal Structures Act and performs an oversight function on behalf of Council.

MPAC undertakes and manages similar functions and responsibilities for the municipalities, as undertaken by the Standing Committee of Public Account in the national and provincial legislatures, except for certain powers regarding subpoena of individuals. In the case of any irregular expenditure or any fruitless and wasteful expenditure incurred by the municipality or municipal entities, the MPAC has the right to call upon the Accounting Officer of the Municipality or the Chairperson of the municipal entity's board of Directors to appear before it to provide information or clarity.

The MPAC may engage directly with the public and consider public comments when received and are entitled to access documents or evidence from the Acting Municipal Manager.

Section 129(4) of the MFMA further provides for the issuance of guidance on the manner in which municipal councils should consider annual reports and conduct public hearing, and the functioning and composition of any public accounts or oversight committees established by the council to assist it to consider an annual report.

2.3 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

Public communication and participatory initiatives :

The adopted communication strategy has an action plan that makes provision for communication with all internal and external stakeholders. Current communication forums initiatives are as below:

Internally the following mechanisms are used:

- Internal memo for notices, announcements
- Short message service
- Emails
- Notice boards
- Policy workshops, information sharing sessions and training

For external communication we use the following channels

- Public notices
- Municipal Newsletter which reflects on council decisions, programmes public participation and events
- Loud hailing
- Media liaison - MKLM uses both the electronic/ print media, both mainstream and community for effective communication with communities and stakeholders. However there is only one community radio station within the municipal jurisdiction. As a result, the municipality has to use national and community media which can hamper communication efforts.

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The municipality's website has been revamped and populated with information though there are still challenges relating to timeous updating thereof especially with regard to legislative prescriptions.

No opinion surveys have been conducted.

LGMSA 2000, Chapter 5 and Section 28(1) and 29 indicate the following:

Preparation of a Process Plan for annual review is reflected below:

2.1.1 *Section 28 (1) each municipal council within a prescribed period after the start of its elected term, must adopt a process set out in writing to guide the planning, drafting, adoption and review of its Integrated Development Plan.*

- Chapter 4 indicates that the municipality must through appropriate mechanisms, processes and procedures consult its local community before adopting the process.
- The Municipality must also give notice to the local community of particulars of the process it intends to follow.

2.1.2 *Section 29 (1) indicates the process to be followed by a municipality to draft its integrated development plan, including its consideration and adoption of the draft plan must:*

- (a) Be in accordance with a predetermined programme specifying timeframes for different steps
- (b) Through appropriate mechanisms process and procedures establish in terms of chapter 4, as follows:
 - I. The local community to participate in the drafting of the integrated development plan, and
 - II. Organs of state, including traditional authorities and other role players to be identified and consulted on the drafting of the IDP
 - III. The local community to be consulted on its developmental needs analysis and priorities
- (c) To provide for the identification of all plans and planning requirements binding on municipality in terms of national and provincial legislation, and
- (d) Be consistent with any other matter that may be prescribed by regulation

Sessions for public consultation are held twice in a year in all 109 villages. The 31 wards are grouped in 12 clusters where wards are grouped in one venue for needs analysis and priority projects discussions around the first consultations.

The second consultations are confirmations and discussions on the approved budget for implementation of the development of the Service Delivery and Budget Implementation Plan. The same cluster system is used but venues are changed to ensure all wards and villages are considered.

During the course of the year, comments and questions are received and are addressed during meetings of community representatives and Councillors.

Mining houses are engaged with the development of social labour plans. Where feasibility studies have not been undertaken challenges arise. Sector departments are also engaged but they do not adhere to the needs analysis and they impose projects in our communities sometimes without the municipal knowledge or them reflected in the IDP document. All the steering committee meetings and forums are held quarterly. And engagements are encourages for our communities to see the municipality in which they receive a hearing when requested.

Public participation has involved communities in various activities such as policy formulation, budgeting, identification, implementation and monitoring of projects. It has improved in such a way that it created

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the need for the community to learn more about their rights, and to understand local government and the constraints under which it functions.

Public participation has assisted in ensuring that resources are employed where they are most needed. But the challenge continues where communities find it difficult that their needs are not met and the municipality is not delivering as required.

Needs are endless and challenge is budget constraint in all 107 villages. Public participation allows communities to have ownership of programmes and projects to be implemented in various villages/areas.

The challenge is that the wish list is endless and we do have financial constraints as we depend only on the MIG for capital projects. No revenue for the municipality as we have 107 rural villages and two urban areas

Forums:

Currently there is no coordinated and integrated approach for service delivery forums hence departments are individually handling their own sector forums where there is always duplication of programmes and issues of mutual interest.

2.4 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	

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COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

There is an established Municipal Public Accounts Committee and a shared Audit Committee in place and functional. There is compliance with legislation and regulations that govern the municipality. The municipality ensures that there is accountability and transparency in the running of its affairs. The municipality also engages its stakeholders in identification of their needs during public participation.

2.5 RISK MANAGEMENT

RISK MANAGEMENT

In the 2015/2016 financial year the municipality reviewed and updated the strategic and operational risk registers, strategic risks were identified and the top five risks identified are;

1. Non-compliance with legislation, regulation and contract;
2. Poor revenue collection
3. Lack of coordination of potential local economic development opportunities;
4. Ineffective change management; and
5. Poor quality infrastructure.

The risk management of the municipality should be prioritized and be properly coordinated. The culture of risk management should be embedded in the municipality for smooth running of service delivery.

The municipality has budgeted for the implementation of risk management in the 2016/2017 financial year.

2.6 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

In the 15/16 financial year the municipality has adopted the following policies (Human Resource disciplinary code, Fraud prevention policy, Hotline through customer care, Code of conduct, Risk Management policy and Supply Chain Management policy) as prevention strategies to monitor and manage corruption, fraud and theft.

Management has processes in place (Segregation of duties, monitoring and review, authorization, internal audit and Audit Committee review of processes and adherence to processes) to detect the key risk areas.

Measures have been put in place to resolve reported cases of Fraud and Corruption, e.g. internally reported cases are dealt with by the Labor relations unit for investigation and resolution, others are referred to SAPS.

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2.7 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

Four out of five employees are fully compliant with minimum competency levels for Supply Chain Management, however one employee is currently undergoing training to ensure compliance.

2.8 BY-LAWS

COMMENT ON BY-LAWS:

MSA 2000 s11 (3) (m) provides municipal councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation.

The Spatial Planning and Land Use Management Act (SPLUMA) by law was introduced during 2015/16

2.9 WEBSITES

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	
All current budget-related policies	Yes	
The previous annual report (2014/15)	No	
The annual report (2015/16) published/to be published	No	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2015/16) and resulting scorecards	Yes	
All service delivery agreements (2015/16)	No	
All long-term borrowing contracts (2015/16)	No	
All supply chain management contracts above a prescribed value (give value) for 2015/16	No	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2015/16	No assets Disposed	
Contracts agreed in 2015/16 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
Public-private partnership agreements referred to in section 120 made in 2015/16	No	
All quarterly reports tabled in the council in terms of section 52 (d) during 2015/16	No	

Training for all finance staff will be conducted on submission of information.

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2.10 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFACTION LEVELS

No public satisfaction surveys were conducted on municipal service delivery for the year under review.

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CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

INTRODUCTION

Moses Kotane Local Municipality is both a Water Service Authority and a Water Service Provider. The Municipality's water supply consists of 75% surface water from Magalies and 25% of underground water. The bulk of the water is from the Vaalkop Water Treatment Plant which is operated by the Magalies Water Board and supplies the areas on the eastern side (Mankwe) of the Municipality. The western side (Madikwe) of the municipality is mostly reliant on underground water.

COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); and a summary of free basic services.

INTRODUCTION TO BASIC SERVICES

Magalies Water Board supplies Moses Kotane Local Municipality with bulk water which is not sufficient to meet the demand.

Challenges

- Ageing of Infrastructure
- Lack of funding
- Shortage of skilled personnel
- Theft and Vandalism(borehole equipment)
- Boreholes Drying out
- Water Loss
- Delays on appointment of personnel

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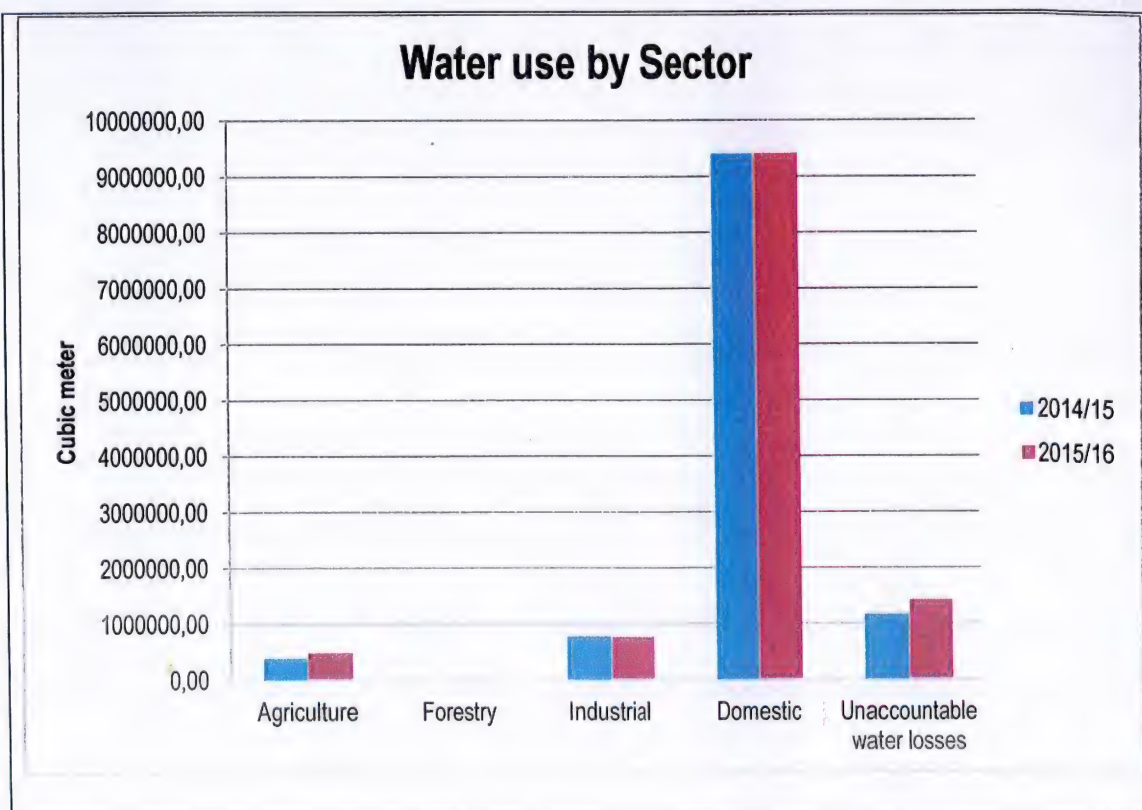
3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

The Municipality has developed water master plan which currently being presented to various stakeholders for adoption and approval processes by council. The master plan has covered the entire municipal area in terms of bulk water needs and proposed water plans.

The municipality also caters for indigent population by providing subsidised water and sanitation services.

Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2012/2013	628 672	0	754 406	9 336 335	1 886 017
2013/2014	565 391	0	972 484	9 233 891	1 696 176
2014/2015	390 138	0	780 276	9 414 621	1 170 414
2015/2016	470 731	0	752 552	9 406 911	1 411 036



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COMMENT ON WATER USE BY SECTOR:

The municipality has a high volume of unaccountable water loss due to unmetered stand pipes, hydrants and illegal connections.

Water Service Delivery Levels	
Description	Households
	2015/2016
	Actual No.
<u>Water: (above min level)</u>	
Piped water inside dwelling	5 802
Piped water inside yard (but not in dwelling)	17 627
Using public tap (within 200m from dwelling)	37 400
Other water supply (within 200m)	7 150
<i>Minimum Service Level and Above sub-total</i>	67 979
<i>Minimum Service Level and Above Percentage</i>	90%
<u>Water: (below min level)</u>	
Using public tap (more than 200m from dwelling)	2 310
Other water supply (more than 200m from dwelling)	10 667
No water supply	1 595
<i>Below Minimum Service Level sub-total</i>	14 572
<i>Below Minimum Service Level Percentage</i>	10%
Total number of households*	75 193

Households - Water Service Delivery Levels below the minimum			
Description	Households		
	2015/16		
	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements			
Total households	61 800	61 800	67 980
Households below minimum service level	0	0	0
Proportion of households below minimum service level	0%	0	0%
Informal Settlements			
Total households	13 393	13 393	13 393
Households below minimum service level	1 595	1 595	1 595
Proportion of households below minimum service level	12%	12%	12%

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Water Service Policy Objectives Taken From IDP						
Service Objectives Service Indicators	Outline Service Targets	2014/15		2014/15		
		Target	Actual	Target		Actual
		*Previous Year		*Previous Year	*Current Year	
Households without minimum water supply	Number of hh provided with water below RDP standard	3 000	11 798	5 000	5 000	11 798
Ensure water supply	Number of boreholes drilled and equipped	New	35	New	30	35
Ensure water quality	Compliance on Blue Drop	85%	Results not issued yet	Results not issued yet	Results not issued yet	Results not issued yet

Access to Water			
	Households with access to water points	Households with access to piped water	Households receiving 6 kl free
2014/2015	73 598	55 300	61 800
2015/2016	75 000	55 330	61 800

Employees: Water Services					
Job Level	2014/15				
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
1-5	54	124	60	64	52%
5-8	4	6	4	2	33%
8-11	6	10	4	6	60%
11-12	3	6	3	3	50%
12-14	12	2	0	2	100%
15-16	6	12	5	7	58%
17-18	3	6	3	3	50%
19-25	2	4	2	2	50%
Total	70	170	81	89	52%

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Financial Performance Year 2015/2016: Water Services					
R'000					
Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	182 165	203 203	202 152	188 570	-8%
Expenditure:					
Employees	22 592	27 929	25 117	26 691	-5%
Repairs and Maintenance	25 684	21 410	27 795	26 819	20%
Other	138 944	151 238	151 429	146 801	-3%
Total Operational Expenditure	187 220	200 577	204 341	200 311	0%
Net Operational Expenditure	-5 055	-2 626	2 189	11 741	122%

Capital Expenditure year 2015/2016: Water Services					
R' 000					
Capital Projects	2015/2016				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	22 077	19 154	17 392	-27%	
Groundwater Optimisation	12 577	11 654	9 957	-26%	12 577
Mogwase 7ML Reservoir	2 000	0			2 000
Ledig reservoir	4 500	4 500	4 500	0%	21 500
Refurbishment of Water Assets	3 000	3 000	2 935	-2%	3 000
Other		352	175		

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COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

The Municipality has managed to reach various villages that had challenges with regard to water shortages through the implementation of the underground water optimization project, this programme has seen about 8 villages being assisted with additional boreholes and reticulation. As part of ensuring proper planning in future the Municipality has managed to develop a water master plan.

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

The municipality provides sanitation services of high level of service to two townships of Madikwe and Mogwase. About 5 802 households and industrial are catered by the Mogwase and Madikwe Waste Water Treatment Plants. The Mogwase Waste Water Treatment Plant is currently operating at 95%. The Madikwe Sewage pond services Madikwe Township. The Municipality is also embarking on a rural sanitation programme to provide decent sanitation to areas with no access to water borne sanitation.

Sanitation Service Delivery Levels	
Description	*Households
	2015/2016
	Actual No.
<u>Sanitation/sewerage: (above minimum level)</u>	
Flush toilet (connected to sewerage)	5 802
Flush toilet (with septic tank)	
Chemical toilet	
Pit toilet (ventilated)	13 984
Other toilet provisions (above min.service level)	0
<i>Minimum Service Level and</i>	
<i>Above sub-total</i>	19 786
<i>Minimum Service Level and</i>	
<i>Above Percentage</i>	26%
<u>Sanitation/sewerage: (below minimum level)</u>	
Bucket toilet	
Other toilet provisions (below min.service level)	
No toilet provisions	55 934
<i>Below Minimum Service Level</i>	
<i>sub-total</i>	55 934
<i>Below Minimum Service Level</i>	
<i>Percentage</i>	74%
Total households	75 193

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Households - Sanitation Service Delivery Levels below the minimum			
Description	Households		
	2015 /2016		
	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements			
Total households	5 275	5 275	5 275
Households below minimum service level	0	0	0
Proportion of households below minimum service level	0%		0%
Informal Settlements			
Total households	780	780	780
Households below minimum service level	0	0	0
Proportion of households below minimum service level	0%		0%

Waste Water (Sanitation) Service Policy Objectives Taken From IDP						
Service Objectives	Outline Service Targets	2014/2015		2015/2016		
		Target	Actual	Target	Actual	
		*Previous Year		*Previous Year	*Current Year	
Service Indicators (i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
Number of households provided with sanitation above RDP standard	30 000hh	0	5 275	0	0	5 802
Number of households provided with VIP toilets	1650	780	780	780	1 000	852

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VIP management strategy developed	December 2013	0	0	0	0%	0%
% improvement of the green drop status	85%	75%	29%	29%	85%	Results not yet released

Employees: Sanitation Services					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
1-5	14	37	10	27	72%
8-11	1	1	1	0	0%
12-14	4	20	10	10	50%
15-16	1	6	3	3	50%
Total	20	64	24	40	63%

Financial Performance Year 2015/2016: Sanitation Services					
R'000					
Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	12 855	14 622	13 902	13 567	-8%
Expenditure:					
Employees	1 111	5 963	3 218	2 633	-126%
Repairs and Maintenance	994	1 460	1 955	1 414	-3%
Other	4 887	6 812	6 332	1 893	-260%
Total Operational Expenditure	6 992	14 235	11 505	5 940	-140%
Net Operational Expenditure	-5 863	-387	-2 397	-7 627	95%

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Capital Expenditure 2015/16: Sanitation Services					R' 000
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	11 058	11 058	11 058	0%	0
Rural Sanitation Programme 4	11 058	11 058	11 058	0%	0

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

The service is the first priority as indicated by communities in the IDP engagement sessions. Based on the allocated resources the unit could only deliver 1 000 units. The municipality is experiencing backlog in sanitation services. The estimated cost to eradicate the backlog on sanitation is estimated at R 560 million.

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

The Electricity Unit is not providing electricity at household level. This municipality is relying on ESKOM for the provision of electricity. An assessment with regard to the existing infrastructure (street lights) was conducted, the implementation is to be carried out in the following financial year, however regular maintenance is ongoing. The Municipality also provides community lighting infrastructure (high mast lights).

Employees: Electricity Services					
Job Level	2013/2014	2014/2015			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
1-5	0	5	0	5	100%
12-14	0	6	4	2	33.3%
15-16	1	2	1	1	50%
Total	1	13	5	8	62%

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Financial Performance Year 2015/2016: Electricity Services					
R'000					
Details	Year 2014/2015	Year 2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees	946	1 397	1 822	1 750	20%
Repairs and Maintenance	394	3 160	4 350	1 973	-60%
Other	9 236	10 976	11 129	5 792	-90%
Total Operational Expenditure	10 576	15 533	17 301	9 515	-63%
Net Operational Expenditure	10 576	15 533	17 301	9 515	-63%

Capital Expenditure Year 2015/2016: Electricity Services					
R' 000					
Capital Projects	Year 2015/2016				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	15 980	19 324	9 580		
Uitkyk 1	285	257			
Uitkyk 2	1 710	1 540	1 598	-7%	
Moubana	1 995	1 796	1 262	-58%	
Manamakgoteng	1 995	1 933	2 045	2%	
Legogolwe	855	829	448	-91%	
Legkraal	1 140	1 105	1 123	-2%	
Voordonker	600	513	462	-30%	
Mononono	900	829	568	-58%	
Brakuil	1 500	0			
Koffiekraal		1 540	1 451	100%	
Tlokweng		1 022	581	100%	
Mogwase Unit 2 Electrification		1 960			
Electricity Demand Site Management	5 000	5 000	0		
Other		1 000	42	100%	

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COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

The installation of High Mast Lights within villages is of utmost importance for the reduction of crime. The municipality of Moses Kotane is rural. The Municipality has managed to install 36 high mast lights, however the Municipality faces challenges in reaching its targets due to delays in energizing of high mast lights by Eskom.

The maintenance of street lights is performed in-house where theft of transformers and cables hamper service delivery. Arrests have been made which will hopefully improve the situation. Furthermore, with deeper excavation at installation or the use of aluminum in the place of copper cables, theft may be reduced.

3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

INTRODUCTION TO WASTE MANAGEMENT

Integrated Waste Management Plan was developed in 2014 and need to be approved and implemented. The Environment and Waste Management unit is working on problematic areas to minimize and mitigate waste in the Moses Kotane Local Municipal area. The existing waste disposal sites in Madikwe and Mogwase towns classified as GSB- are properly managed, New Mogwase disposal and Madikwe landfill sites were installed boreholes to monitor the underground water. Madikwe disposal site lifespan remaining is estimated at 12 years this however should be confirmed by a the appointed environmental engineers.

Sun City has its own waste disposal site which is properly managed but it has reached a closure phase. Medical waste from most clinics is reportedly dumped in open areas as a result of lack of incinerators around to burn such waste. The need for waste disposal sites is only evident in the two towns of Madikwe and Mogwase where large amounts of waste are produced but is not a priority in most rural areas where little waste is produced and is only burned or buried. Another problem identified relates to littering especially around public places and taxi ranks particularly in Madikwe and Mogwase towns. The factories in Bodirelo appears to be the major polluters in the Municipality.

Lack of healthy sanitation system - Lack of proper healthy sanitation facilities in rural areas is a serious problem. This is because many communities depend on underground water from boreholes which are often situated close to pit latrines which contaminate underground water. This poses a serious health risk for rural communities. Deforestation - The removal of vegetation for residential, firewood and other purposes leads to destruction of the natural environment and unplanned de-bushing using chemicals killing indigenous species. These actions result in the removal of topsoil or soil degradation and the creation of dongas and silting up of dams. Overstocking and overgrazing result in soil erosion and formation of dongas and the inability of the ground to absorb water.

Hunting / Poaching - Poaching of wild animals and uncontrolled hunting by villagers are serious problems in the rural areas of Moses Kotane Local Municipality. There is currently a growing concern about the state of the world's environment. Some environmental issues of global concern are global warming and climate change; biodiversity loss; deforestation; loss of wetlands; pollution; etc. which

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Solid Waste Service Delivery Levels				Households
Description	2012/2013	2013/2014	2014/2015	2015/2016
	Actual No.	Actual No.	Actual No.	Actual No.
<u>Solid Waste Removal: (Minimum level)</u>				
Removed at least once a week	64 125	75 193	75 193	75 193
<u>Solid Waste Removal: (Below minimum level)</u>				
Removed less frequently than once a week				
Using own refuse dump				
No rubbish disposal				
Total number of households	64 125	75 193	75 193	75 193

Households - Solid Waste Service Delivery Levels below the minimum						Households
Description	2012/2013	2013/2014	2014/2015	2015/2016		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households	0	0	0	0	0	0
Households below minimum service level						
Proportion of households below minimum service level						
Informal Settlements (included above)	0	0	0	0	0	0

Chapter 3

Waste Management Service Policy Objectives Taken From IDP													
Service Objectives		Outline Service Targets	2014-2015			2015-2016			Year 1	Year 3			
			Target		Actual	Target		Actual	Target				
			*Current Year (vi)	(vii)		*Previous Year (v)	75 193		75 193	75 193	80 000	85 000	90 000
Service Indicator (i)	(ii)								*Current Year (viii)	*Current Year (ix)	*Following Year (x)		
Provision of weekly collection service per household (HH)		Provide waste collection to all wards	75 193	75 193	75 193	75 193	75 193	75 193	80 000	85 000	90 000		
Proportion of waste that is recycled		Operation of the buyback centre	The buyback centre fully operational	The buyback centre fully operational	The buyback centre fully operational	The buyback centre fully operational	The buyback centre fully operational	The buyback centre fully operational					
Proportion of landfill sites in compliance with the Environmental Conservation Act 1989.		1. Closure and rehabilitation of the old Mogwase landfill site 2. Operation of the new Mogwase landfill site 3. Fencing of Madikwe landfill site	Rehabilitation of the old Mogwase landfill site	Rehabilitation of the old Mogwase landfill site had commenced (Phase1)	Contractor awaiting appointment for second phase for rehabilitation of the landfill site	Rehabilitation of the old Mogwase landfill site	1. Closure and rehabilitation of old landfill site 2. Operation of new Mogwase landfill						

Moses Kotane

								3. Madikwe landfill fencing				
								4. Environmental signboard installation				
								Lerome borrow pit was fully rehabilitated and subsequently fenced				
								Lerome borrow pit was fully rehabilitated and subsequently fenced				
								The rehabilitation and fencing of the Lerome borrow pit				
								Borrow pit rehabilitation and fencing				
To reduce and/or prevent adverse pollution as per section 24N NEMA 1998												
To raise awareness around issues pertaining to pollution prevention-illegal dumps eradication								Billboards and sign boards installation				
								The installation of sign boards around Mogwase				
								The installation of sign boards around Mogwase				
								The installation of sign boards around Mogwase				

Moses Kotane

The purpose of IEMP is to resolve or lessen any negative development process	Environmental plans and policies			The tender for integrated environmental management plan was advertised	The evaluating team for the tender yet to sit down	The evaluating team for the tender yet to sit down		
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Employees: Solid Waste Management Services					
Job Level	(2014/2015)	(2015/2016)			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
1-5	0	16	0	16	100%
6-8	0	4	0	0	0%
10-12	0	9	0	0	0%
12-14	0	10	0	2	100%
15 - 16	1	4	1	1	50%
18 - 25	1	1	1	0	0%
Total	2	44	2	19	90%

Employees: Waste Disposal and Other Services					
Job Level	2014/2015	2015/2016			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Total	0	1	0	0	0
The service is outsourced					

Financial Performance Year 2015/2016: Solid Waste Management Services					
					R'000
Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	45 933	53 320	53 590	55 183	3%
Expenditure:					
Employees	1 549	1 844	1 582	1 515	-22%
Repairs and Maintenance	2 280	4 300	5 640	5 569	23%
Other	36 681	46 737	46 441	49 489	6%
Total Operational Expenditure	40 510	52 881	53 663	56 573	7%
Net Operational Expenditure	-5 423	-439	73	1 390	132%

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Capital Expenditure Year 2015/2016: Waste Management Services					
Capital Projects	2015/20216				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	5 678	6 878	4 632	-23%	
Mogwase Land Fill Rehabilitation and Upgrading	3 678	3 678	4 402	16%	3 678
Household Wheely Bins	2 000	2 000	0		2 000
Mogwase Land Fill Bore Hole		600	230	100%	600
Sandfontein Borrow Pit Fencing		600			600

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

1. Phase 3 and 4 of the rehabilitation to be implemented in the 2017/2018 financial year.
2. Lerome borrow pit was fully rehabilitated and subsequently fenced.
3. Madikwe landfill site fencing completed.

3.5 HOUSING

INTRODUCTION TO HOUSING

Everyone has the right to have access to adequate housing. Key to the roles and responsibilities of Local Government is to ensure the provision of services to communities in a sustainable manner. Priority of Moses Kotane is to eradicate informal settlements and mud houses in our villages. Housing has been a cornerstone of Moses Kotane since 2003. The objectives of human settlements are:

1. Quality control and assurance of housing development
2. Accelerate access to housing through availing land for housing development and development of Community Rental Units for those who do not qualify for housing subsidies.
3. Have the municipality accredited as a housing developer

The municipality's challenge arises from the fact that implementation of housing is mandated to the provincial human settlement, and not the municipality. Ever rising backlog, illegal occupation of land and RDP houses.

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Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
2014/15	75 193	14 427	19.2%
2015/16	75 193	14 427	19.2%

Employees: Housing Services					
Job Level	2014/2015	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
12-14	1	4	1	3	75%
15- 16	4	5	4	1	20%
17 - 18	1	2	1	1	50%
19 - 25	1	1	1	0	0%
Total	7	12	7	5	42%

Financial Performance Year 2015/2016: Housing Services					
R'000					
Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees	4 072	6 095	4 964	4 003	-52%
Repairs and Maintenance	234	350	350	209	-67%
Other	519	772	743	494	-56%
Total Operational Expenditure	4 825	7 217	6 057	4 706	-53%
Net Operational Expenditure	4 825	7 217	6 057	4 706	-53%

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

The role of the Municipality is to facilitate access to housing while top structure construction is the priority of the Provincial Department of Human Settlement.

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3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R1,100 per month								
		Free Basic Water			Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
2013/2014	20 210	20 975	15 000	72%	758	4%	5 092	24%	756	4%
2014/2015	21 884	21 884	17 250	79%	987	5%	17 250	79%	987	5%
2015/2016	19 398	19 398	19 398	100%	1 144	6%	19 398	100%	19 398	100%

Financial Performance Year 2015/2016: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	2014/2015	2015/2016			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water		19 278	13 286	12 336	-56%
Waste Water (Sanitation) and Property Rates	842	1 000	700	540	-85%
Waste Management (Solid Waste)		15 841	20 874	20 968	24%
Electricity	2 940	4 000	5 500	5 166	23%
Total	3 782	40 119	40 360	39 010	-3%

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COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and waste water (storm water drainage).

INTRODUCTION TO ROAD TRANSPORT

The municipality does not implement road transport programmes. Road development and maintenance is carried out as part of the infrastructure grant and operational (internal funding) respectively.

3.7 ROADS

INTRODUCTION TO ROADS

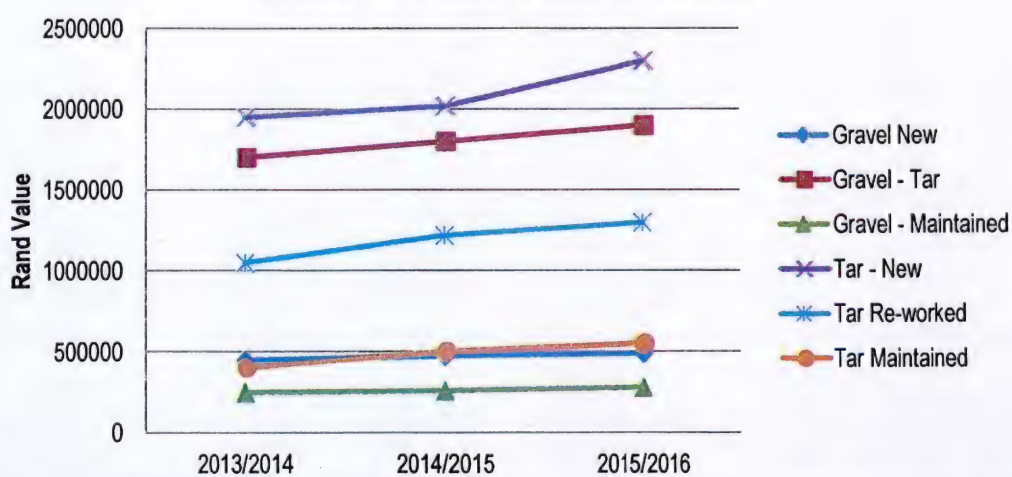
The Municipality has an overall responsibility of 2292 KMs of which 110 KMs are surfaced and 2181 KMs are gravel. The Provincial roads in the municipal jurisdiction are 3867 KMs of which 375 KMs are surfaced and 3400 KMs are gravel. The internal roads within Moses Kotane are in a bad condition. Frequent breakdown of machinery hampers maintenance of roads. Additional machinery has been purchased in order to improve service delivery.

Tarred Road Infrastructure					Kilometres
Year End	Total tarred roads	New tar/paved roads	Existing tar roads re-tarred	Existing tar roads re-sealed	Tar roads maintained
2012/13	18.4	18.4	0	1.8	12.2
2013/14	11.5	11.5	0	2.3	9.3
2014/15	100	9.6	0	4.9	4.9
2015/2016	100	18.9	0	3	

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Gravel Road Infrastructure				Kilometers
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2013/2014	145	15	10	100
2014/2015	160	20	12	120
2015/2016	166	25	14	140

Road Infrastructure costs



Financial Performance Year 2015/2016: Road Services					
R'000					
Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees	6 441	10 262	6 965	6 629	-55%
Repairs and Maintenance	6 195	11 101	8 351	2 099	-429%
Other	42 734	47 150	48 104	20 564	-129%
Total Operational Expenditure	55 370	68 513	63 420	29 292	-134%
Net Operational Expenditure	55 370	68 513	63 420	29 292	-134%

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Capital Expenditure 2015/16 Road Services					
R' 000					
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	66 304	66 304	61 619	7.1%	
Ntsweng	388	388	388	0%	0
Pella Phase II	2 586	2 586	2 586	0%	0
Lerome South	3 040	3 040	2 750	9.5%	290
Ramokokastad	1 496	1 496	1 496	0%	0
Phadi	4 064	4 064	4 064	0%	0
Mogwase Unit 8	7 874	7 874	7 874	0%	0
Ledig	10 858	10 858	8 769	19.2%	2 089
Mankaipaya	8 393	8 393	8 393	0%	0
Vrede Phase II	7 003	7 003	4 903	30%	2 009
Lerome/Welgeval and Dikweipi	10 720	10 720	10 720	0%	0
Mabalastad	10 332	10 332	9 676		657

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

The components is the largest capital projects is the construction of Internal Roads in various villages within Moses Kotane Local Municipality. The Municipality is battling in maintenance of roads due to breakdown of machinery and insufficient resources, the capital budget in terms of roads is insufficient to address the backlog.

3.8 TRANSPORT

INTRODUCTION TO TRANSPORT

The municipality is responsible for planning and contracting for public transport services and implementation. The operational licensing function stays with the province but can be assigned to municipalities by the Minister.

According to the National Land Transport Act 5 of 2009, the Municipalities are responsible for:

- Integrated Transport Plan to be prepared by the municipality
- Developing land transport policy and strategy for their areas
- In their capacity as planning authorities, preparing, implementing and monitoring transport in their areas (ITPs)
- Financial planning for land transport in their areas
- Managing the movement of persons and goods in their areas
- Planning, implementing and managing of modally integrated transport networks and travel corridors within the municipal area and liaising with neighbouring municipalities

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- Service level planning for passenger rail in consultation with PRASA

Public Transport Projects that were conducted within the municipality are as follows:

- Survey on Public Transport Facilities – by the Province
- Integrated Public Transport network (IPTN) – by the District Municipality
- Rural Roads Assets Management System (RRAMS) – by the District Municipality
- District Integrated Transport Plan (in the process) – by the District

Employees: Public Transport

- Only one employee in Public transport

Challenges:

- Devolution of Public Transport functions to the Municipality
- Lack of personnel
- Budget

Comment on the performance of Public transport

The National Land Transport Act 5 of 2009 requires that local Municipality to prepare for their local Integrated Transport Plan, therefore in this case Public Transport is a core function of the Provincial Department of Community Safety and Transport Management, Bojanala Platinum District Municipality and Local Municipality as a planning authority is doing the coordination in the implementation of the plans for Public Transport services.

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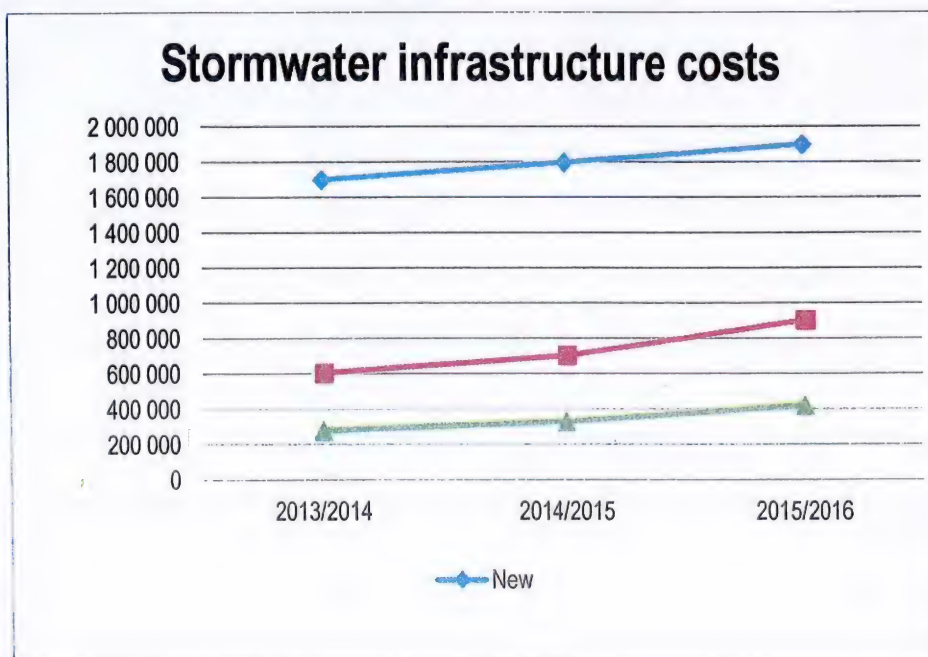
3.9 STORMWATER DRAINAGE

INTRODUCTION TO STORMWATER DRAINAGE

Most roads constructed under the MIG funding do not make provision for storm water control resulting in the roads not lasting as expected. Funding for storm water reticulation would alleviate the problem encountered.

Stormwater Infrastructure				Kilometres
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
2013/14	15	15	0	11 blockages attended to
2014/15	10.6	10.5	0	0.092

Cost of Construction/Maintenance				R' 000
	Stormwater Measures			
	New	Upgraded	Maintained	
2013/2014	1 700 000	600 000	280 000	
2014/2015	1 800 000	700 000	330 000	
2015/2016	1 900 000	900 000	420 000	



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COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

The Municipality's planning and development consist of municipal planning and LED units which deal with the following:

- Spatial Development Framework
- Provides information and guidance in regards to planning dealing with issues/queries related to planning and future developments which are linked to the IDP.
- Agriculture
- Mining
- Rural development
- Tourism

A challenge facing the municipality is where land is under tribal control and as such the Municipality cannot generate revenue to assist in the development of bulk infrastructure. Due to lack of funding the municipality cannot develop their own properties.

3.10 PLANNING

INTRODUCTION TO PLANNING

In 2010 the Municipality has developed a Spatial Development Framework (SDF) that enhances planning strategies.

The unit also deals with Land Use Management, application procedures and matters related to the following:

- Rezoning of land ,
- Special Consent ,
- Relaxation of building lines,
- Town planning scheme, and
- Township Establishment Application.
- Land Alienation
- Spatial planning and land use management by-laws and policies

The National Building Regulation Act, Act 103 of 1977 and Moses Kotane Town Planning Scheme (2005) are used to ensure compliance in terms of building regulations and enforcement.

In terms of improving performance, the Municipality must review the Spatial Development Framework and develop a wall to wall land use scheme in terms of Spatial Planning and Land Use Management Act (Act 16 of 2013). Furthermore, there is a need for the Municipality to develop a number of precinct plans, a town regeneration strategy and an informal settlement strategy. The construction of Mogwase Unit 9 development is currently underway and approximately 100 houses are completed in the 2015/2016 financial year. The Municipality still face a funding challenge for bulk infrastructure. All

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five villages planned for formalization, namely Mantsho, Mogoditshane, Marapallo, Mantsele and Nkogolwe has been approved by Chief Surveyor General and there is a need to finalize the opening of Township Register with The Deed Office and subsequently the transfer of individual properties. , I. The delay in the opening of township register was due to prolonged community engagements between the Department Rural Development and Land Reform and the Tribal authorities. The Municipal planning unit is understaffed and is currently operating with interns from Municipal Infrastructure Support Agent (MISA). The Spatial Planning and Land Use Management by-law has been approved by Council and implementation is underway. The Municipality has opted for Joint Municipal Planning Tribunal (JMPT) with Kgetlengrivier and Moretele Local Municipalities. In the 2015/2016 financial year all three Municipalities have achieved the formation of the JMPT committee that consider town planning applications.

Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning		Built Environment	
	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16
Planning application received	1	0	3	3	0	0
Determination made in year of receipt	1	0	3	3	0	0
Determination made in following year	0	0	0	0	0	0
Applications withdrawn	0	0	0	0	0	0
Applications outstanding at year end	0	0	0	0	0	0

Employees: Planning Services					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
10 - 12	1	1	1	0	0%
12-14	0	1	0	1	100%
15-16	0	1	0	1	100%
17-18	0	2	0	2	100%
19-25	0	1	0	1	100%
Total	1	6	1	5	

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Capital Expenditure 2015/16: Planning Services					
R' 000					
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	6 312	none	2 000	32%	
Land tenure upgrade	6 312	none	2 000	32%	

Financial Performance 2015/2016: Planning Services					
R'000					
Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	83	150	280	325	54%
Expenditure:					
Employees	56	2 624	1 304	33	-7852%
Repairs and Maintenance	43	100	100	63	-59%
Other	57	2 680	750	138	-1842%
Total Operational Expenditure	156	5 404	2 154	234	-2209%
Net Operational Expenditure	73	5 254	1 874	-91	5874%

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Service Objectives	Outline Service Targets	2014/15		2015/16		
		Target	Actual	Target		Actual
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)
Service Indicators (i)	(ii)					
Number of municipal policies developed and implemented	2 policies	1	0	1	2	0
Land audit report developed and adopted	Approved Council Resolution	1	0	1	1	0
Number of proclaimed township establishment completed	Approved by Council	5 villages	0	5 villages	5 villages	0 village

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COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

The unit is unable to perform as expected due to shortage of permanent staff.

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

The Municipality has a number of economic opportunities that range from agriculture, mining, tourism and rural development. Job creation has been facilitated through the establishment and supporting of cooperatives and marketing its municipality through its information centre. Skills transfer through tourism buddies. Monitoring the implementation of SLPs in the mining sector.

COMMENT ON LOCAL JOB OPPORTUNITIES:

The mining sector is a very important sector that contributes significantly towards both the employment and economic growth of the local municipality. This sector was identified as having a comparative advantage and it was classified as being the current strength of the local economy.

The mining sector is the main contributor towards the total GGP for the local municipality. The finance sector (19.5%), the transport sector (10.9%) and the general government sector (10.0%) are also significant contributors to the local economy.

In order to improve upon the local procurement of the mines, a review of the main products purchased by the mines should be conducted. Whilst it is acknowledged that the local municipality would not be able to provide all the required goods and services to the mines, there are number of consumable goods as well as services that can be provided from the local municipal area.

The tourism sector is unfortunately not classified as a sector on its own, and thus the contribution that tourism makes towards the local municipality cannot be easily quantified. It is one of the key economic sectors which gives the Municipality a comparative advantage over the other municipalities within the NW Province. 3 international icons (Sun City, Madikwe and Pilanesberg Game Reserves) are housed within the municipalities and as such have an impact in terms of job creation of local people. The sector contributes highly to the country's GDP and plays a crucial role in municipal economic growth. It is in this sector where you find street traders / crafters who produce artefacts which are sold to tourists and locals. Most of these traders are located within the game reserves and around the CBD. The traders' activities are done on a full time basis and used to sustain their livelihoods. It is therefore imperative to formalise these traders so as to implement proper regulatory framework/mechanisms for them. Some of the crafters are generating enough income and fall within taxable bracket.

The agricultural sector within the Moses Kotane Local Municipality experienced erratic economic growth during the 1995 – 2010 period. Employment within the agricultural sector has experienced a downturn over the years as employment between the 1995 – 2009 period shrank at an estimated average rate of -9.1%.

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Farming activities within the local municipality are subsistence farming activities and the main agricultural produce within the local municipality is: maize, sorghum, sunflower, game farming, livestock farming (cattle & goat).

The reason for the limited contribution and relatively poor performance of the agricultural sector is the limited water supply within the local municipality. Furthermore, the constraints facing the agricultural sector include: market & marketing information, transport, storage facilities, and grading and product standards. The lack of agricultural infrastructure prohibits/restricts the type of agricultural activities that can occur within the local municipality.

The following opportunities have been identified for the agricultural sector within the local municipality that could lead to economic growth:

- Support commercialization of small-scale/subsistence farming activities, and
- Support the development of a vibrant agro-processing sector.

These could be achieved through the establishment and support of cooperatives.

The manufacturing sector within the Moses Kotane LM has been growing at an average annual growth rate of 1.0% during the 1995 – 2009 period, whilst the level of employment has been decreasing at an average annual rate of 3.4%.

The main area in which manufacturing activities occur within the Moses Kotane LM is the Bodirelo Industrial Park. There is no real clustering of activities within the Bodirelo Industrial area. It is encouraging that some businesses linked to the mining sectors are located within this industrial area. It should be noted that a number of stands within the local municipality are vacant and the attraction of investment to these areas could be further investigated.

The trade sector in the Moses Kotane LM appears to be underdeveloped. This is illustrated by limited growth in this sector whilst the decline in employment also highlights the challenges experienced within this sector.

Key elements that could be implemented to further develop MKLM economy:

- Agriculture, mining, manufacturing, tourism and utilities are the key sectors that could assist in the development of the local economy,
- The key to ensuring greater economic development is increasing linkages between the various sectors, businesses and communities,
- Government has a key role to play through skills development, information sharing and partnership building

The key to ensuring greater economic growth and development is increasing linkages between the various sectors of the economy.

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Jobs Created during 2015/16 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created No.	Jobs lost/displaced by other initiatives No.	Net total jobs created in year No.	Method of validating jobs created/lost
Total (all initiatives)				
2011/12	175	0	175	Steering committee reports
2012/13	77	27	50	Steering committee reports
2013/14	57	0	57	Steering committee reports
2014/15	0	0	0	
Madikwe Sisal project	60	0	60	Attendance register
2015/16	28	0	28	Order/Payment voucher

Job creation through EPWP* projects		
	EPWP Projects	Jobs created through EPWP projects
Details	No.	No.
2013/14	31	901
2014/15	3	701
2015/16	3	198

Employees: Local Economic Development Services					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
12 - 14	2	4	2	2	50%
15 - 16	2	5	2	3	60%
17 - 18	2	3	2	1	33%
19 - 25	1	2	1	1	50%
Total	7	14	7	7	50%

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Local Economic Development Policy Objectives Taken From IDP						
Service Objectives Service Indicators	Outline Service Targets	2014/15		2015/16		
		Target	Actual	Target	Actual	
		*Previous Year		*Previous Year	*Current Year	
1.LED staff training	No. of LED staff trained	1	1	1	1	1
2.Tourist Guide NQF 4	No. of capacity building programmes conducted	15	15	15	15	15
3.Hospitality programme (Tourism Buddies)	No. of capacity building programmes conducted	15	100	15	15	100
4. Livestock NQF1	No. of capacity building programmes conducted	30	30	0	30	30

Financial Performance 2015/2016: Local Economic Development Services					
R'000					
Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees	2 361	3 803	3 932	3 411	-11%
Repairs and Maintenance					
Other	3 424	5 149	4 987	3 253	-58%
Total Operational Expenditure	5 785	8 952	8 919	6 664	-34%
Net Operational Expenditure	5 785	8 952	8 919	6 664	-34%

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

Currently there are no capital projects implemented. There is an ongoing farmers market in Moses Kotane Local Municipality. Council adopted the initiative of a Special Economic Zone (SEZ) project, and allocated hundred hectares for implementation which is funded by the National Department of Trade and Industry. The municipality is in the process of developing the tourism master plan for implementation of all tourism initiatives.

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COMPONENT D: COMMUNITY & SOCIAL SERVICES

3.12 LIBRARIES

INTRODUCTION TO LIBRARIES

The library strives to provide, in cooperation with the relevant governing bodies on local and provincial level, dynamic library and information services that meet the educational, informational, cultural, economical, technological and recreational needs of the community at large. Each person must have free access to resources and facilities for information, lifelong learning, culture and recreation.

The service aims to promote the library service and instill a reading culture, improving literacy levels and provide free and open access to information as well as survival information. Present programs include story hours, book talks, life skill training course, literacy training and free public internet access. Reading of literature is promoted to contribute to the upliftment of the community e.g. (Toy training workshops and reading awareness programmes etc.)

Library staff receives relevant training and attends workshops and libraries hosts workshops relevant to the community needs.

SERVICE STATISTICS FOR LIBRARIES;

Number of books 17 500

Number of users- 11 802

Toy training - 8 per year

Library awareness programs- 12 per year

Moses Kotane

Libraries: Other Policy Objectives Taken From IDP								
Service Objectives	Outline Service Targets	2014/15		2015/16			Year 1	
		Target	Actual	Target		Actual	Target	Target
		*Previous Year (iii)		*Previous Year (v)	*Current Year (vi)		*Current Year (viii)	
Service Indicators (i)	(ii)		(iv)	(v)	(vi)	(vii)		
Provision of library services to the community	Stocking of all Moses Kotane libraries	3	3	3	4	5		4
Library awareness programs to promote the service	All library users and non-users	8	8	8	8	8		8

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Employees: Libraries					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
1-5	3	8	6	3	63%
10-12	8	8	9	3	0%
15-16	2	4	2	3	50%
17-18	1	1	1	0	0%
Total	14	21	18	9	33%

Financial Performance 2014/15: Libraries					
R'000					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	536	408	408		3%
Expenditure:					
Employees	655	1 108	1 103	877	-68%
Repairs and Maintenance	10	25	21	10	-110%
Other	694	1 234	1 230	267	-77%
Total Operational Expenditure	1 359	2 367	2 354	1 154	-73%
Net Operational Expenditure	823	-1959	- 1 946		-136%

COMMENT ON THE PERFORMANCE OF LIBRARIES

Through additional campaigns we improvised to convert some classrooms into fully resourced and functional school libraries for the benefit of the youth in public schools in and around our municipality.

3.13. COMMUNITY FACILITIES

INTRODUCTION TO COMMUNITY FACILITIES

The municipality through MIG provides community facilities and through its operational budget undertakes maintenance, renovations and repairs to Municipal facilities.

SERVICE STATISTICS FOR COMMUNITY FACILITIES

During the period under review the municipality carried out routine maintenance in Community Halls, Parks, Sports Facilities. The Municipality has 106 facilities (inclusive of municipal offices, community halls, sports facilities and libraries).

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Employees: Community Facilities					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
1-5	5	10	4	6	60%
8-10	3	4	3	1	25%
12-14	1	1	1	0	0%
17-18	1	1	1	0	0%
Total	10	16	9	7	44%

Financial Performance year 2015/2016: Community Facilities					
R'000					
Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	536	408	432	981	58%
Expenditure:					
Employees	655	1 198	1 033	652	-84%
Repairs and Maintenance	10	118	118		
Other	694	1 208	1 212	1 150	-5%
Total Operational Expenditure	1 359	2 524	2 363	1 802	-40%
Net Operational Expenditure	823	2 116	1 931	821	-158%

Financial Performance year 2015/2016: Community Facilities					
R'000					
Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	5	1	7 400	12 087	100%
Expenditure:					
Employees	2 063	3 981	2 681	2 338	-70%
Repairs and Maintenance	5 459	2 313	1 713	1 019	
Other	9 557	13 683	14 933	6 837	-100%
Total Operational Expenditure	17 079	19 977	19 327	10 194	-96%
Net Operational Expenditure	17 074	19 976	11 927	-1 893	1155%

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3.14. CEMETERIES

INTRODUCTION TO CEMETERIES

The municipality provides for and maintains gravesites in Mogwase and Madikwe. The maintenance service of gravesites has in the period under review been extended to the rural villages throughout the Municipality.

SERVICE STATISTICS FOR CEMETERIES

During the financial year 139 graves were provided in Madikwe and Mogwase.

Employees: Cemeteries					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
(1-5)	3	8	3	5	63%
(8-11)	1	6	2	4	66%

Financial Performance Year 2015/2016: Cemeteries and Crematoriums					
					R'000
Details	Year 2014/2015	Year 2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	21	20	30	25	20%
Expenditure:					
Employees	253	1 060	610	280	-279%
Repairs and Maintenance		775	520	356	-118%
Other	565	505	503	150	-237%
Total Operational Expenditure	818	2 340	1 633	786	-198%
Net Operational Expenditure	797	2 320	1 603	761	-205%

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3.15. CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The municipality through the Mayoral special programmes provides support to the aged, the disabled, people living with HIV/Aids, orphans and other vulnerable groups.

SERVICE STATISTICS FOR CHILD CARE

The child care function is the responsibility of the Department of Social Development. However the Municipality assists annually with school uniforms and food parcels for vulnerable children.

COMMENT ON THE PERFORMANCE OF AGED CARE; SOCIAL PROGRAMMES OVERALL:

Mayoral support is provided to all vulnerable groups through the special projects programme.

COMPONENT E: ENVIRONMENTAL PROTECTION

INTRODUCTION TO ENVIRONMENTAL PROTECTION

3.16 POLLUTION CONTROL

INTRODUCTION TO POLLUTION CONTROL

The Municipality has a constitutional mandate to ensure that it guarantees everyone the right to an environment that is not harmful to their health or wellbeing and to have the environment protected for the benefit of present and future generation through reasonable legislative and other measures that prevent pollution, ecological degradation, promote conservation and secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development.

The Municipality achieves this through

1. **Waste Management:**
2. **Biodiversity Management:**
3. **Environmental Education and Awareness**
4. **Enforcement and compliance**

Employees: Solid Waste Management Services					
Job Level	(2014/2015)	(2015/2016)			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
1-5	0	16	0	16	100%

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6-8	0	4	0	0	0%
10-12	0	9	0	0	0%
12-14	0	10	0	2	100%
15 - 16	1	4	1	1	50%
18 - 25	1	1	1	0	0%
Total	2	44	2	19	90%

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Financial Performance Year 2015/2016: Solid Waste Management Services					
R'000					
Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	45 933	53 320	53 590	55 183	3%
Expenditure:					
Employees	1 549	1 844	1 582	1 515	-22%
Repairs and Maintenance	2 280	4 300	5 640	5 569	23%
Other	36 681	46 737	46 441	49 489	6%
Total Operational Expenditure	40 510	52 881	53 663	56 573	7%
Net Operational Expenditure	-5 423	-439	73	1 390	132%

COMPONENT F: SECURITY AND SAFETY

This component includes: disaster management coordination and control of public nuisances, etc.

3.17 SAFETY AND SECURITY

INTRODUCTION TO SECURITY AND SAFETY

Promotion of road safety through effective law enforcement

Provision of Security services in all Municipal facilities and buildings

Coordination of disaster management programs

Employees: Security and Safety					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
12-14	5	15	5	10	3%
15-16	2	2	1	1	50%
17-18	2	1	1	0	0%
19-25	1	1	1	0	0%
Total	10	19	8	11	61%

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Financial Performance 2013/14: Security and Safety					
Details	R'000				
	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	0%
Expenditure:					
Employees	511	2 364	864	2 074	-14%
Repairs and Maintenance	0	0	0	0	0%
Other	10 874	12 897	15 357	14 589	12%
Total Operational Expenditure	11 385	15 261	16 221	16 663	8%
Net Operational Expenditure	11 385	15 261	16 221	16 663	8%

3.18 OTHER (DISASTER MANAGEMENT)

INTRODUCTION TO DISASTER MANAGEMENT

The Disaster Management Services part of responsibilities are as follows:

- Provide and undertake a consultation, training, research, project management, client services for the disaster management of the municipality (institutional Capacity)
- Ensure effective and quick response to incident / disaster affecting vulnerable communities
- Ensure minimization of risk measures in the municipality through risk reduction programme
- Compile contingency plan for events as required Disaster Management Act 57 of 2002 and National Disaster Management Framework.

POSSIBLE INCIDENTS IN THE MUNICIPALITY

The following are hazards prevails in the municipality though can be classified into different categories: natural disaster, man-made situations and technological:

- Natural Disasters i.e. House Fires, Drought and Flash Floods
- Severe weather- Heavy storm
- Explosions and Bomb threats
- Vehicle accidents
- Stampeding at stadium during events
- Health Hazards i.e. Food and water contamination, Poisoning
- Political stability: Terrorist, Hostage situation, political attacks
- Crime: looting Robbery, Hijacking
- Power and communication Failures
- Interruption of water supply and electrical outages
- Chemical spillages - hazardous incidents

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SERVICE STATISTICS FOR DISASTER MANAGEMENT

73 Incidents
4 awareness programmes
4 risk assessments

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Capital Expenditure 2015/16: Disaster Management					
R' 000					
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
Disaster Management Grant	0	0	0	0%	0

Financial Performance 2015/2016: Disaster Management									
Service Indicators	Outline Service Targets	2014/15		2015/16			2016/17	2017/18	
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
To promote and support the disaster management programme	Disaster risk reduction education programme	4	4	4	4	4	4	4	4
	Disaster Training and Education	4	4	4	4	4	4	4	4

COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT

Disaster Management is a core function of the District Municipality though Moses Kotane Local Municipality facilitates the implementation of the Disaster Management KPI's in line with the District Disaster Management Plan.

The Disaster Management relief that we assist the vulnerable communities are as follows:

- Tents
- Salvage sheets
- Mattresses

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- Liaise with other line department (SASSA) for social relief of distress.
- Blankets

COMPONENT H: SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

INTRODUCTION TO SPORT AND RECREATION

This component supports and promotes sport within the municipality. It has formed a sports council and been involved in the development of netball teams where leagues compete on weekends and a team represents Moses Kotane at provincial and national levels.

The athletics club is affiliated to Athletics North west North

3.19 SPORT AND RECREATION

SERVICE STATISTICS FOR SPORT AND RECREATION

2 stadiums (Mogwase and Madikwe)

6 sports grounds (Ramokokastad, Sefikile, Pella, Mabeskraal, Manamela, Silverkraans)

Employees: Sport and Recreation					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
1 - 5	29	30	29	1	0%
5 - 7	20	25	20	5	20%
8 - 11	8	8	8	0	0%
12 - 14	1	1	1	0	0%
15 - 16	1	1	1	0	0%
17 - 18	1	1	1	0	0%
Total	60	66	60	6	9%

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Financial Performance 2015/16 : Sport and Recreation					R'000
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	7	32	0	0%
Expenditure:					
Employees	8 547	13 320	10 196	9 819	-36%
Repairs and Maintenance	1 114	1 855	2 150	1 257	-48%
Other	2 738	4 651	6 155	3 118	-49%
Total Operational Expenditure	12 399	19 826	18 501	14 194	-40%
Net Operational Expenditure	12 399	19 819	18 469	14 194	-40%

COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

No capital expenditure was incurred during the financial year. Apart from salaries expenditure incurred was mainly for maintenance of the Mogwase and Madikwe stadiums.

COMPONENT H: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

3.20 EXECUTIVE AND COUNCIL

This component includes: Executive office (Mayor; Councilors; and Municipal Manager).

Employees: Human Resource Services					
Job Level	2014/2015	2015/2016			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
12-14	3	4	3	1	33%
15-16	1	2	1	1	50%
17-18	4	5	2	3	60%
19-25	1	1	1	0	0%
Total	9	12	9	5	42%

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Employees: Property; Legal; Risk Management; and Procurement Services					
Job Level	2014/2015	2015/2016			
	Employee s	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
1-5	1	2	1	1	50%
6-8	3	3	3	0	0%
9-11	1	2	1	1	50%
12-14	3	6	3	3	0%
15-16	2	4	2	2	0%
17-18	1	1	1	1	0%
19-25	2	2	2	0	0%
Total	13	20	13	8	40%

Employees: The Executive and Council					
Job Level	2014/2015	2015/2016			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Full Time Councillors	13	13	13	0	0%
Ordinary Councillors	49	49	49	0	0%
Total	62	62	62	0	0%

Financial Performance Year 2015/2016: The Executive and Council					
R'000					
Details	Year 2014/2015	Year 2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue		1 446	1 446	1 446	0%
Expenditure:					
Employees	32 809	39 556	40 011	37 247	-6%
Repairs and Maintenance	3 253	2 600	3 600	1 306	-99%
Other	38 412	49 200	51 841	48 468	-2%
Total Operational Expenditure	74 474	91 356	95 452	87 021	-5%
Net Operational Expenditure	74 474	89 910	94 006	85 575	-5%

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

There were no capital projects for the financial year under review.

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3.21 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

Moses Kotane Local Municipality remains committed to prudent financial management by strengthening the balance sheet, tightening the credit control and continued improved revenue collection or enhancement strategy. T 3.25.1

Debt Recovery							
Details of the types of account raised and recovered	Year 2014/2015		Year 2015/2016			Year 2016/2017	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Property Rates	33 594	28%	116 209	146 218	126%	91 274	95%
Electricity - B							
Electricity - C							
Water - B							
Water - C	79 548	65%	114 977	48 493	42%	103 921	65%
Sanitation	2 757	2%	3 574	1 998	56%	2 910	60%
Refuse	5 471	5%	10 444	376	4%	7 288	20%
Other							

Employees: Financial Services					
Job Level	Year 2014/2015	Year 2015/2016			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
1-5	3	3	2	1	33%
5-8	26	30	22	0	0%
8-11	4	4	1	0	0%
11-12	11	11	9	0	0%
12-14	10	15	12	3	20%
14-15	0	1	0	1	100%
15-16	8	10	13	1	10%
17-18	8	8	6	2	25%
19-25	3	3	3	1	33%
CFO	1	1	1	0	0%
Total	74	86	69	9	10%

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Financial Performance Year 2015/2016: Financial Services					
Details	Year 2014/2015	Year 2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	376 192	311 570	333 653	477 578	35%
Expenditure:					
Employees	22 039	24 957	23 977	21 156	-18%
Repairs and Maintenance	563	150	150	125	-20%
Other	22 095	29 598	46 534	29 604	0%
Total Operational Expenditure	44 697	54 705	70 661	50 885	-8%
Net Operational Expenditure	-331 495	-256 865	-262 992	-426 693	40%

3.22 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The human resources unit is responsible for the provision of effective HR to the entire municipality. The priorities were recruitment of staff, occupational health and safety, labour relations and training and development. Appointment of temporary workers and other HR staff was done to improve performance.

Employees: Human Resource Services					
Job Level	2014/15	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
12-14	3	4	4	0	0%
15-16	1	2	1	1	50%
17-18	3	5	3	2	40%
18-25	1	1	1	0	0%
TOTAL	8	12	9	3	25%

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Financial Performance Year 2015/2016: Human Resource Services					
Details	Year 2014/2015	Year 2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	169	520	120	120	-333%
Expenditure:					
Employees	4 430	6 721	4 741	3 839	-75%
Repairs and Maintenance					
Other	16 372	8 960	12 939	9 908	10%
Total Operational Expenditure	20 802	15 681	17 680	13 747	-14%
Net Operational Expenditure	20 633	15 161	17 560	13 627	-11%

3.23 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services.

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The unit is responsible for the support function of ICT to the entire municipality. Provision of ICT equipment and computer networks. An ICT assessment was conducted and the strategy was developed and approved by council.

Employees: ICT Services					
Job Level	Year 2013/14	Year 2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
10 - 12	1	1	1	0	0%
13 - 15	0	2	0	2	100%
16 - 18	1	1	1	0	0%
19 - 20	1	1	1	0	0%
Total	3	5	3	2	40%

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Financial Performance 2014/15: ICT Services					
R'000					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees	1 917	1 723	2 069	1 902	10%
Repairs and Maintenance	8	100	50	7	-93%
Other	32 824	22 300	30 403	32 408	45%
Total Operational Expenditure	34 759	22 999	30 403	32 408	45%
Net Operational Expenditure	34 759	22 999	30 403	32 408	45%

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Capital Expenditure 2014/15: ICT Services					R' 000
Capital Projects	2014/15				Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	
No capital projects were in the IDP for 2014/15					

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

The following projects were included in the adjustment budget and have been implemented as planned (there were no variations in terms of this):

1. ICT Audit
2. ICT Strategy Development
3. ICT Implementation (SLA)
4. Network Infrastructure Revamp

The above projects were later included in the reviewed IDP as targets and will further be monitored.

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3.24 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

This component includes: property; legal; risk management and procurement services.

INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

The legal service is responsible for provision of legal services for the municipality. This would include development of by- laws, service level agreements, legal opinions and compilation and maintenance of a valuation roll. Supplementary valuation roll was reviewed and implemented during the year under review. There were no measures taken as no underperformance was experienced.

Financial Performance Year 2015/2016: Property; Legal; Risk Management and Procurement Services					
R'000					
Details	Year 2014/2015	Year 2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees	832	6 289	6 141	5 938	-6%
Repairs and Maintenance	0		0		
Other	15	419	414	35	-1097%
Total Operational Expenditure	847	6 708	6 555	5 973	-12%
Net Operational Expenditure	847	6 708	6 555	5 973	-12%

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Capital Expenditure Year 2015/2016: Property; Legal; Risk Management and Procurement Services

R' 000

Capital Projects	Year 2015/2016				Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	
Total All	10 040 000		956 550	-9	
Supply and delivery of paper for a period of twelve months on as and when bases	500 000	-	120 400	-3	as and when
Supply and delivery of store material for a period of twelve months on as and when basis	5 375 000	-		#DIV/0!	as and when
Supply and delivery of tyres for a period of twelve months on as and when bases.	4 165 000	-	673 876	-5	as and when
Supply and delivery of water treatment chemicals for a period of twelve months on as and when basis		-	162 274	1	as and when
Requests for proposals to conduct the ICT audit and development of and ICT strategy to align with MKLM IDP			36 425 600	1	25 000 000
Construction of highmast lights for Seshibitswe and Vrede villages	3 400 000	-	2 812 163	-0	3 793 287
Construction of new Kameelboom community hall	1 800 000	-	1 042 160	-1	1 822 362
Construction of Tlhatlaganyane Community Hall	1 800 000	-	1 319 368	-0	1 800 516
Construction of Molatedi Community Hall	1 800 000	-	455 213	-3	1 787 089
Construction of new Sefilile Community Hall	1 800 000	-	299 783	-5	141 973
Construction of Sandfontein stormwater	6 500 000	-	17 800 553	1	4 478 109

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Construction of stormwater management channels in losmytjerie	10 139 784	-	3 105 373	-2	3 260 776
Construction of internal roads in Mmopyane	6 650 008	-	2 984 850	-1	5 860 913
Legkraal and Lesetlheng Roads Phase 1	8 000 000	-	1 879 430	-3	9 772 156
Rural Sanitation Programme Phase III	16 500 000	-	3 343 457	-4	5 966 868
Supply and delivery of breeding stock	1 000 000	-	484 600	-1	484 600
Supply and Delivery of PPE	1 068 406	-	792 966	-0	404 932
Construction of ratsegae and Masekoloane Internal Roads and stormwater	13 500 000	-	3 379 050	-3	3 379 050
Ground water optimization	6 700 000	-	2 158 822	-2	

Moses Kotane

COMPONENT I: ORGANISATIONAL PERFORMANCE SCORECARD

2015/2016 ANNUAL PERFORMANCE REPORT AGAINST THE TOP LAYER SERVICE DELIVERY BUDGET AND IMPLEMENTATION PLAN

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE
(PERFORMANCE REPORT PART II)

Moses Kotane

Infrastructure and Technical Services: Mr Tertius Chiliane Water and Sanitation														
To provide, improve and maintain existing water supply infrastructure so as to minimize interruptions of services, water loss and ensure compliance with drinking water quality standards (blue drop system)														
Strategic Objective	Item Number	Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Quarterly Status (achieved/not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reason for Underperformance	Measures taken to improve performance	Portfolio of Evidence
Service Delivery & Infrastructure Development	ITS 1	Developed water master plan and approved by Council	Approved Water master plan by December 2015	New	1	Draft water master plan	Achieved	Draft water master plan complete and to be workshoped	Not Achieved	Operational	Operational	None	None	Council resolution
					2	Approved water master plan	Not Achieved	Draft water master plan presented to portfolio committee on the 24 November 2015, the item referred to EXCO						
					3	-	Not Achieved	Draft water master plan						
					4	-	Not Achieved	Draft water master plan						
	ITS 2	Number of boreholes drilled, equipped and connected to storage	11 boreholes drilled, equipped and connected by June 2016 - Goederhoop - 2 Mogodishane - 2 Kameelboom - 2 Ramokokstad - 3 Ulikyk - 2	8 villages	1	Appointment of service provider	Not Achieved	Tender was advertised and evaluated. Awaiting issuing of appointment letter to the successful bidder	Not Achieved	R 0	R 1 325 613,08	Delays due to finalisation of the geohydrological report by the appointed PSP	The geohydrologist has started and will finalise the report in January 2016. The Municipality has also assisted the contractor through a session to acquire material (pipes) to fast track the implementation	Completion certificates
					2	11 boreholes sighted and drilled	Not Achieved	Contractor appointed, site establishment complete. Sighting and drilling to commence in January 2016						
					3	11 boreholes equipped	Not Achieved	(drilled) Ulikyk - 3; Goederhoop: 1.5Kms of pipeline complete Mogodishane: 1.3Kms of pipeline complete Kameelboom: 1.1Kms of pipeline complete Ramokokstad: Existing boreholes (6) sealed boreholes Ulikyk: 4 boreholes drilled and sealed						
					4	11 boreholes connected to storage	Not Achieved	Goederhoop: 2Kms of pipeline complete, 0 boreholes equipped, Mogodishane: 1.47Kms of pipeline complete, 1 borehole drilled 0 boreholes equipped. Kameelboom: 1.2Kms of pipeline complete, 3 boreholes drilled, 0 boreholes equipped. Ramokokstad: 1.14Kms of pipeline complete, 0 boreholes equipped. Ulikyk: 3 boreholes drilled and sealed, 0 boreholes equipped						
	ITS 3	Draft feasibility study of construction of Mogwase reservoir conducted	Draft feasibility study conducted by June 2016	New	1	SCM processes	Achieved	Consultants appointed on section 32 process. Preliminary design report completed	Achieved	R 0,00	R 3 891 690,94	None	None	One-on-one engagement held with the contractor and it has been resolved that weekly technical meeting to closely monitor the progress
					2	Appointment of service provider	Achieved	Detailed design and tender documentation is complete and project is ready for implementation						
					3	Consultation with stakeholders	Achieved	Detailed design report was completed in Quarter 2						
					4	Draft feasibility study	Achieved	Project at construction						
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Item Number	Key Performance Area	Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Quarterly Status (Achieved/Not Achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reason for Underperformance	Measures taken to improve performance	Portfolio of Evidence
ITS 4	Service Delivery & Infrastructure Development	Phase 1 of Ledig reservoir constructed	Ledig reservoir constructed by June 2016	New	1	SCM processes	Not Achieved	Project designs are complete, tenders have been issued for the reservoir. Still awaiting approval for the EIA and WULA (Contractors can not be appointed till approvals are received)	Not Achieved	R 4 500 000,00	R 0	The appointment of the Service Provider was delayed due to non approval of EIA and WULA. Contractors can not be appointed until approval	The follow up application submitted to the Department of Water and Sanitation	Progress reports and close out reports
					2	Appointment of service provider	Not Achieved	Second application for WULA submitted in the 02 Nov 2015. This is after the Department requested that the WULA application by the Municipality and not the mine.				The appointment of the Service Provider was delayed due to non approval of EIA and WULA. Contractors can not be appointed until approval	The follow up application submitted to the Department of Water and Sanitation	
					3	Construction	Not Achieved	EIA for the reservoir was approved in January 2016. The tender to appoint the contractor advertised in February 2016				The advertisement of the tender was delayed due to late approval of EIA by the Department of Environment	Tender was advertised in February and currently being evaluated. Fasttracking of the appointment of the contractor by Wesize Mine	
					4	Phase 1 completed	Not Achieved	Water User License for the pipeline was approved in May 2016 - A Service Provider has not been appointed				Service Providers for the reservoir and the pipeline could not be appointed due to high tender prices exceeding the allocated budget	Engagement between the 3 parties (MKLM, Masove and Wesize) took place to discuss the project shortfall. The Municipality agreed to top up the amount of R5 Million and Wesize will settle the balance. Contractors will be appointed in July 2016	
ITS 5	Service Delivery & Infrastructure Development	Number of kilolitres of water provided to households below RDP standard through tankering	42 000 kilolitres of water provided to 5 000 Households by June 2016	25 939 kilolitres	1	10 500 kilolitres of water provided to 5000 households	Not Achieved	10 500 kilolitres provided	Not Achieved	R 3 000 000,00	Operational	The service was provided through water tankering however the verification of the number of households is not feasible	To engage the ward councilors to assist in verifying the households that receive water	Consumption reports, Tankering reports, Bulk Metering reports, Billing reports
					2	10 500 kilolitres of water provided to 5000 households	Not Achieved	10 500 kilolitres provided				Operational	The service was provided through water tankering however the verification of the number of households is not feasible	To engage the ward councilors to assist in verifying the households that receive water
					3	10 500 kilolitres of water provided to 5000 households	Not Achieved	10 500 kilolitres provided				Operational	The service was provided through water tankering however the verification of the number of households is not feasible	To engage the ward councilors to assist in verifying the households that receive water
					4	10 500 kilolitres of water provided to 5000 households	Not Achieved	10 500 kilolitres provided				Operational	The service was provided through water tankering however the verification of the number of households is not feasible	To engage the ward councilors to assist in verifying the households that receive water

Moses Kotane

Item Number	Key Performance Area	Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Quarterly Status (achieved/ not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reason for Underperformance	Measures taken to improve performance	Portfolio of Evidence
ITS 6	Service Delivery & Infrastructure Development	Number of households provided with quality water at RDP standard	45 000 households provided with quality water at RDP standard by June 2016	45 000 households	1	45 000 households provided with quality water at RDP standard	Not Achieved	45 000 households provided with quality water at RDP standard	Not Achieved	R 55 000 000,00	R 6 177 786,00	The service was provided through 200 m radius stand pipes which are not linked to a household, however the verification of the number of households is not feasible	To engage the ward councillors to assist in verifying the households that receive water through 200m standpipes	Consumption reports, Tankering reports, Bulk Metering reports, Billing reports
					2	45 000 households provided with quality water at RDP standard	Not Achieved	45 000 households provided with quality water at RDP standard			R 15 188 748,00	The service was provided through 200 m radius stand pipes which are not linked to a household, however the verification of the number of households is not feasible	To engage the ward councillors to assist in verifying the households that receive water through 200m standpipes	
					3	45 000 households provided with quality water at RDP standard	Not Achieved	45 000 households provided with quality water at RDP standard			R 17 272 471,00	The service was provided through 200 m radius stand pipes which are not linked to a household, however the verification of the number of households is not feasible	To engage the ward councillors to assist in verifying the households that receive water through 200m standpipes	
					4	45 000 households provided with quality water at RDP standard	Not Achieved	45 000 households provided with quality water at RDP standard			R 21 465 174,00	The service was provided through 200 m radius stand pipes which are not linked to a household, however the verification of the number of households is not feasible	To engage the ward councillors to assist in verifying the households that receive water through 200m standpipes	
ITS 7		Number of households provided with quality water above RDP standard	30 000 households provided with water by June 2016	30 000 households	1	30 000 households provided with quality water above RDP standard	Not Achieved	22 125 households provided with quality water above RDP standard	Not Achieved	Expenditure as above	The balance of the households are not billed due to illegal meters	Verify all meter in areas such as Sandfontein, Greater Sandfontein, Molatedi and Salspoort, Molatedi and Medlwe	Consumption reports, Tankering reports, Bulk Metering reports, Billing reports	
					2	30 000 households provided with quality water above RDP standard	Not Achieved	22 125 households provided with quality water above RDP standard			The balance of the households are not billed due to illegal meters	Verify all meter in areas such as Sandfontein, Greater Sandfontein, Molatedi and Salspoort, Molatedi and Medlwe		
					3	30 000 households provided with quality water above RDP standard	Not Achieved	22 125 households provided with quality water above RDP standard			The balance of the households are not billed due to illegal meters	Verify all meter in areas such as Sandfontein, Greater Sandfontein, Molatedi and Salspoort, Molatedi and Medlwe		
					4	30 000 households provided with quality water above RDP standard	Not Achieved	22 125 households provided with quality water above RDP standard			The balance of the households are not billed due to illegal meters	Verify all meter in areas such as Sandfontein, Greater Sandfontein, Molatedi and Salspoort, Molatedi and Medlwe		

Moses Kotane

Item Number	Key Performance Area	Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Status (achieved/ not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reason for Underperformance	Measures taken to improve performance	Portfolio of Evidence
ITS 8	Service Delivery & Infrastructure Development	Number of reports on the implementation of the blue drop improvement action plan	4 reports on the implementation of the blue drop improvement action plan by June 2016	2013-2014 blue drop assessment report	1	Training of personnel and water quality monitoring programme	Not Achieved	No training of personnel conducted - 1 report on water quality monitoring programme	Not Achieved	Operational	Operational	The Service Provider was appointed late	The training to be completed in the 2nd Quarter	Action plan report
					2	Classification of personnel and water quality monitoring programme	Achieved	5 process controllers are classified - 1 report on water quality monitoring programme			Operational	None	None	
					3	Develop water safety plan and incident management and water quality monitoring programme	Not Achieved	Incident management plan developed - 1 report on water quality monitoring programme			Operational	Lack of proper planning resulted in the Water Safety Plan not developed due to the need of a full South African National Standard on drinking water to be concluded	Develop specifications for the compilation of a full SANS	
					4	Plants licenses obtained and water quality monitoring programme	Not Achieved	Plants licenses not obtained - 1 report on water quality monitoring programme			Operational	Lack of proper planning resulted in the licensing process not being initiated	To appoint a service provider for the initiation of the licensing process	

Moses Kotane

To provide access to sanitation through maintenance of existing infrastructure, the provision of new appropriate infrastructure to all communities and to ensure compliance with Waste Water Quality standards (green drop system)									
Strategic Objective	Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Status (achieved/ not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget
Key Performance Area	Number of VIP toilets installed	1000 VIP Toilets in phases 4 by June 2016 - Mabele a-podi - 250 - Mmorogong - 250 - Mabodisa - 250 - Koflekraal - 250	1700 VIP toilets	1	Appointment of service provider	Not Achieved	Tender was advertised and evaluated. Awaiting issuing of appointment letter to the successful bidder		R 0,00
				2	300 VIP toilets completed	Not Achieved	Contractor appointed, site establishment complete. Project 15%. All VIP structure materials have been purchased		R 4 451 433,80
				3	300 VIP toilets completed	Not Achieved	Mmorogong: Excavations (250), 180 VIP toilets completed; Mabodisa: 250 excavated, 16 lined; Mabele-a-Podi: 140 excavated; Koflekraal: 185 excavated. Overall progress is 38%		R 3 410 305,19
				4	400 VIP toilets completed	Not Achieved	Mmorogong: 251 VIP toilets installed; Mabodisa: 235 VIP toilets installed; Mabele-A-Podi: 152 VIP toilets installed; Mabele-A-Podi: 152 VIP toilets installed. Overall progress is 92% with a total of 652 VIP toilets installed	Not Achieved	R 2 589 169,82
Service Delivery & Infrastructure Development	Number of reports on the follow up of preliminary activities towards the refurbishment of Mogwase Waste Water Treatment Plant completed	4 reports on the follow up of Mogwase Waste Water treatment plant by June 2016	Service provider appointed	1	Risk abatement plan developed	Achieved	Risk abatement plan		R 0,00
				2	Operation and maintenance manual updated	Not Achieved	Operation and maintenance manual not updated		R 197 000,00
				3	Primary stage refurbished (flow meters calibrated and grid channel repaired)	Achieved	Flow meters calibrated, grid channels cleaned	Not Achieved	R 0,00
				4	Basic laboratory equipment supplied	Achieved	Basic laboratory equipment have been purchased		R 1 887 061,77
Item Number	ITS 9								
	ITS 10								
Measures taken to improve performance		Challenges/Reason for Underperformance		Quarterly Expenditure		Annual Status (Achieved/Not Achieved)		Annual Budget	
To be appointed in the 2nd Quarter		Delay from the SCM processes		R 0,00					
Direct payment agreement has been signed for the Municipality to procure the material on behalf of the contractor		Contractor was barred from digging of pits in December due to builders holidays. The were going to be left unattended - danger to community		R 4 451 433,80					
One on one engagement held with the contractor and there is improvement. An intention to terminate the contract was issued to the contractor due to non-performance		Slow progress of the contractor		R 3 410 305,19		Not Achieved		R 10 876 456,00	
The VIP toilets to be completed in the 1st Quarter of the 2016/2017 financial year		Contractor currently busy with finishes and acquiring of happy eaters from the beneficiaries		R 2 589 169,82					
None		None		R 0,00					
WULA has to be issued by DWS before any upgrading can be carried out. Meeting has been scheduled with DWS for January 2016		For the O & M plan to be developed/updated will need to be guided by the Risk Abatement plan and the upgrading of the plant		R 197 000,00					
None		None		R 0,00		Not Achieved		R 2 500 000,00	
The required information to finalise the license application was submitted to DWS and the indicated the process will be concluded by April 2016		The Municipality to provide training for the plant operators for utilisation of lab equipment		R 1 887 061,77					
Completion certificates		Completion certificates							

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Item Number	Key Performance Area	Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Status (achieved/ not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reason for Underperformance	Measures taken to improve performance	Portfolio of Evidence
ITS 11	Service Delivery & Infrastructure Development	Number of reports on the implementation of the green drop improvement action plan	4. implementation reports on green drop improvement action plan by June 2016	2013/2014 assessment report	1	Training of personnel and effluent monitoring programme	Not Achieved	No training of personnel conducted - 1 effluent monitoring programme report	Not Achieved	Operational	Operational	The Service Provider was appointed late	The training to be completed in the 2nd Quarter	Action plan report
					2	Classification of personnel and effluent monitoring programme	Achieved	2 process controllers classified - 1 effluent monitoring programme report			Operational	None	None	
					3	Develop risk abatement plan and effluent monitoring programme	Achieved	Risk abatement plan developed - 1 effluent monitoring programme report			Operational	None	None	
					4	Plant licenses obtained and effluent monitoring programme	Achieved	Plant licenses obtained - 1 effluent monitoring programme report			Operational	None	None	
ITS 12	Service Delivery & Infrastructure Development	Turnaround time for water leakages attended to within 24 hours of reporting	Water leakages attended to within 24 hours of report by June 2016		1	Water leakages attended to within 24 hours of report	Not Achieved	Water leakages are attended to between 24 to 72 hours	Not Achieved	Operational	Operational	Inadequate communication between internal stakeholders (Call centre to Maintenance teams) as well as insufficient maintenance teams	To improve communication with customer care call centre	Leakages report
					2	Water leakages attended to within 24 hours of report	Not Achieved	Water leakages are attended to between 24 to 48 hours, priority is mostly given to major pipe bursts			Operational	Lack of manpower on the teams, lack of plant machinery and vehicles	Submission for additional teams was made through the revised organogram but pending Council approval	
					3	Water leakages attended to within 24 hours of report	Not Achieved	Some Leaks are attended within 24hrs but mostly are attended within 48 to 72 hours priority is given to major leaks and bulk lines			Operational	Lack of manpower on the teams, lack of plant machinery and vehicles	Submission for additional teams was made through the revised organogram but pending Council approval	
					4	Water leakages attended to within 24 hours of report	Not Achieved	Water leakages are attended to between 24 to 72 hours			Operational	Lack of manpower on the teams, lack of plant machinery and vehicles	Appointment of extra teams of maintenance as per organogram, purchase plant machinery for each depot and allocate proper vehicles for the teams	

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Roads and Stormwater													
To prepare a master plan to address backlog with regard to provision of roads and stormwater within villages of the Municipality													
Strategic Objective	Key Performance Area	Annual Target	Baseline	Quarter Number	Quarterly Target	Status (achieved/not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reason for Underperformance	Measures taken to improve performance	Portfolio of Evidence
Service Delivery & Infrastructure Development	Key Performance Area	Number of KMs internal roads constructed	2,3 KMs internal roads constructed by June 2016 Ntsweng	1	Appointment of service provider	Achieved	Project is completed 2,3 km road constructed	Achieved	R 982 917,00	R 631 572,68	None	None	Completion certificates
				2	25% Construction	-	-		R 0,00				
				3	60% Construction	-	-		R 0,00				
				4	100% Construction	-	-		R 81 115,08				
	ITS 13	Number of KMs internal roads constructed	1,8 KMs internal roads constructed by June 2016 Pella	1	Appointment of service provider	Achieved	Project is completed 1,8 km road constructed	Achieved	R 2 812 637,00	R 1 933 086,05	None	None	Completion certificates
				2	25% Construction	-	-		R 261 630,00				
				3	60% Construction	-	-		R 331 421,55				
				4	100% Construction	-	-		R 0,00				
	ITS 14	Number of KMs internal roads constructed	1,8 KMs internal roads constructed by June 2016 Lerome South	1	Appointment of service provider	Achieved	Project is completed 1,8 km road constructed	Achieved	R 3 040 153,00	R 2 664 869,03	None	None	Completion certificates
				2	25% Construction	-	-		R 88 214,41				
				3	60% Construction	-	-		R 0,00				
				4	100% Construction	-	-		R 0,00				
ITS 15	Number of KMs internal roads constructed	1,3 KMs internal roads constructed by June 2016 Ramokoka	1	Appointment of service provider	Achieved	Project is completed 1,3 km road constructed	Achieved	R 1 400 281,00	R 584 449,50	None	None	Completion certificates	
			2	25% Construction	-	-		R 1 011 979,65					
			3	60% Construction	-	-		R 0,00					
			4	100% Construction	-	-		R 0,00					
ITS 16	Number of KMs internal roads constructed												Completion certificates

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Item Number	Key Performance Area	Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Status (achieved/ not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reason for Underperformance	Measures taken to improve performance	Portfolio of Evidence
ITS 17	Service Delivery & Infrastructure Development	Number of KMs internal roads constructed by June 2016	1,7 KMs internal roads constructed by June 2016	1,1 KMs of internal roads paved	1	Appointment of service provider	Achieved	Project at 90% construction	Achieved	R 4 303 190,00	R 1 266 671,38	None	None	Completion certificates
					2	25% Construction	-	Project at 95% construction			R 1 510 001,16	None	None	
					3	60% Construction	-	Project is at 98% practical completion stage. The Completion certificate will be issued in April 2016			R 754 863,38	None	None	
					4	100% Construction	-	Project is 100% complete			R 243 533,97			
ITS 18	Service Delivery & Infrastructure Development	Number of KMs internal roads constructed by June 2016	1,7 KMs internal roads constructed by June 2016	1,1 KMs of internal roads paved	1	Appointment of service provider	Achieved	Contractor appointed, currently on site	Achieved	R 7 487 328,00	R 1 966 125,35	None	None	Completion certificates
					2	25% Construction	Achieved	Project at 95% construction			R 3 479 866,21	None	None	
					3	60% Construction	Achieved	100% project is completed			R 992 056,38	None	None	
					4	100% Construction	-				R 1 232 611,81			
ITS 19	Service Delivery & Infrastructure Development	Number of KMs internal roads constructed by June 2016	1,6 KMs internal roads constructed by June 2016	1,1 KMs of internal roads paved	1	Appointment of service provider	Not Achieved	Tender was advertised and currently being evaluated, awaiting finalisation of appointment	Not Achieved	R 10 857 879,00	R 724 137,21	Tenders were advertised and closed at once making it difficult to evaluate all in time, due to the amount of tenders received	All tenders to be awarded before the 20th October 2015	Completion certificates
					2	25% Construction	Not Achieved	Contractor appointed, site establishment completed			R 446 857,82	Tenders were advertised and closed at once making it difficult to evaluate all in time, due to the amount of tenders received	All tenders to be awarded in November 2015	
					3	60% Construction	Not Achieved	48% construction			R 3 083 772,20	Slow progress of the contractor	One on one engagement was held with the contractor to improve his performance, a follow up meeting is scheduled for early April 2016	
					4	100% Construction	Not Achieved	Project at 85% construction and stage			R 3 891 890,68	Delays from the contractor due to hard rock that needed blasting and was not anticipated	Variation order for the section issued by the Municipality	

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Item Number	Key Performance Area	Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Status (achieved/not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reason for Underperformance	Measures taken to improve performance	Portfolio of Evidence
ITS 20	Number of KMs internal roads constructed	1.7 KMs internal roads constructed by June 2016 Mankapya	1.1 KMs of internal roads paved	1	1	Appointment of service provider	Not Achieved	Tender was advertised and currently being evaluated, awaiting finalisation of appointment	Achieved	R 8 338 587,00	R 0,00	Tenders were advertised and closed at once making it difficult to evaluate all in time, due to the amount of tenders received	All lenders to be awarded before the 20th October 2015	Completion certificates
					2	25% Construction	Not Achieved	Contractor appointed, Project is at 15% completion						
					3	60% Construction	Achieved	74% construction						
					4	100% Construction	Achieved	Project is 100% complete						
ITS 21	Number of KMs internal roads constructed	3 KMs internal roads constructed by June 2016 Mankapya	1.1 KMs of internal roads paved	1	1	Appointment of service provider	Not Achieved	Tender was advertised and currently being evaluated, awaiting finalisation of appointment	Not Achieved	R 10 332 463,00	R 643 578,42	Tenders were advertised and closed at once making it difficult to evaluate all in time, due to the amount of tenders received	All lenders to be awarded before the 20th October 2015	Completion certificates
					2	25% Construction	Not Achieved	Contractor appointed, buy with site establishment, paving material already purchased in December 2015						
					3	60% Construction	Not Achieved	31% construction						
					4	100% Construction	Not Achieved	Project 31% completed						
ITS 22	Number of KMs internal roads constructed	1.25 KMs internal roads constructed by June 2016 Vrede	1.1 KMs of internal roads paved	1	1	Appointment of service provider	Not Achieved	Tender was advertised and currently being evaluated, awaiting finalisation of appointment	Achieved	R 7 003 044,00	R 191 245,11	Tenders were advertised and closed at once making it difficult to evaluate all in time, due to the amount of tenders received	All lenders to be awarded before the 20th October 2015	Completion certificates
					2	25% Construction	Not Achieved	Contractor appointed, buy with site establishment, paving material already purchased in December 2015						
					3	60% Construction	Not Achieved	58% construction						
					4	100% Construction	Achieved	Project is at practical completion						

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Item Number	Key Performance Area	Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Status (achieved/not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reason for Underperformance	Measures taken to improve performance	Portfolio of Evidence
ITS 23	Service Delivery & Infrastructure Development	Number of KMs of internal roads constructed	2,4 KMs of internal roads constructed by June 2016 Lerome Weigval	1,1 KMs of internal roads paved	1	Appointment of service provider	Not Achieved	Tender was advertised and currently being evaluated, awaiting finalisation of appointment	Achieved	R 10 953 995,00	R 349 065,80	Tenders were advertised and closed at once making it difficult to evaluate all in time, due to the amount of tenders received	All tenders to be awarded before the 20th October 2015	Completion certificates
					2	25% Construction	Achieved	Contractor appointed, Project 25% completed			R 1 772 112,53	None	None	
					3	60% Construction	Achieved	80% construction			R 5 027 842,74	None	None	
					4	100% Construction	Achieved	100% completed			R 3 045 149,44	None	None	
ITS 24	Service Delivery & Infrastructure Development	Number of KMs of roads ressealed in Mogwase and Madikwe by June 2016	6 KMs of roads ressealed in Mogwase and Madikwe by June 2016	3 KMs ressealed	1	Appointment of service provider	Not Achieved	No actual work carried out to date	Not Achieved	R 5 000 000,00	R 0,00	Service provider not source out to date	Appointment of Service provider	Progress reports and close out reports
					2	3 KMs of roads ressealed Mogwase	Not Achieved	Visual assessment completed, preparing advert to appoint service provider			R 354 719,65	Service provider not source out to date	To appoint service provider for a period of three years	
					3	3 KMs of roads ressealed Madikwe	Not Achieved	Specifications have been developed for Madikwe internal roads and pending approval by Bid Specification Committee	Not Achieved		R 0,00	Delays in finalisation of Specifications for tender	Follow up with the Bid Specification Committee to final	
					4	-	Not Achieved	Tender advertising and evaluation			R 98 500,00	Projects was advertised late due to delays in developing specifications	Speeding up of evaluation and adjudication processes for appointment in 2016/2017 financial year	
ITS 25	Service Delivery & Infrastructure Development	Number of KMs of roads re-gravelled	20 KMs of roads re-gravelled by June 2016	6 KMs re-gravelled	1	5 KMs of roads re-gravelled	Achieved	7km done - Pella 900m, Segakwene 500m, Mothabe 800m, Weigval 700m, Diweipi 1300m, Manamagoheng 700m, Sandton 600m, Ramokatsa 1500m	Not Achieved	Operational	Operational	None	None	Progress reports and close out reports
					2	5 KMs of roads re-gravelled	Not Achieved	800m done - 200m Disake, 600m Disake			Operational	Shoring plant usage with community services - removing rubble within MKLM area and final preparations, unavailability of water tanker, industrial tractor for compacting material	Not Applicable	
					3	5 KMs of roads re-gravelled	Not Achieved	0 km			Operational	Breakdown of Yellow Fleet, No Water Tanker, No Compactor	Engage the HOD: Community Services with regards to the repair of the yellow fleet	
					4	5 KMs of roads re-gravelled	Not Achieved	Total of 1,91KM was re-gravelled in Disake Village			Operational	Sharing resources with other units and contractors. Allowing to emergency requests such as lineals and sports grounds	Spilling of responsibilities and resources between Community Services and ITS. Sticking to roads maintenance programme only	

Moses Kotane

Item Number	Key Performance Area	Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Status (Achieved/Not Achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reason for Underperformance	Measures taken to improve performance	Portfolio of Evidence
ITS 26	Service Delivery & Infrastructure Development	Number of KMs of roads bladed	150 KMs of roads bladed by June 2018	125 KMs bladed	1	50 KMs of roads bladed	Achieved	Total 70 KM done - Mopong 7KM, Segakweneng 3KM, Manamagong 7KM, Sandintsh 7KM, Ramokota 9KM, Mofube 3KM, Pella 10 KM, Lerone 5KM, Kameaboom 3KM, Veeval 4KM, Ramoga 5KM, Leseteng 3KM, Diawepi 5KM, Disake 2KM, Tsekeeng 3KM, Marapala 2KM		Operational	Operational	None	None	Progress reports and close out reports
					2	30 KMs of roads bladed		Sandintsh 60m, Disake 150m, Kameaboom 11KM, Kameaboom 120m, Pella 200m, Lerone kwa Phir 200m, Unit 2, Phola Park and Mantsho 300m, Lerone 125m, Mabalad 9KM, Manamagong and Mabeakral 2KM, Sandintsh and Mabeakral 200m, Mantsho 300m, Mabeakral 200m, Mantsho 300m, Tsekeeng 200m			Operational	Breakdown of Yellow Fleet: No Water Tanker; No Compactor as well as mergers with regard to funerals and sports grounds	Engage the Community Services Departments with regards to the repair of the yellow fleet	
					3	50 KMs of roads bladed	Not Achieved	Total of 18.8km; Mogoditshane, Makotlong, Sandintsh, Lerone, Molewana Section, Maditwe, Motore, Unit 1 and Lerone bridge			Operational	Breakdown of Yellow Fleet: No Water Tanker; No Compactor as well as mergers with regard to funerals and sports grounds	Engage the Community Services Departments with regards to the repair of the yellow fleet	
					4	20 KMs of roads bladed	Achieved	Blading access roads: Total of 30.9KM			Operational	None	Slaking to roads maintenance programme	
ITS 27	Service Delivery & Infrastructure Development	Number of High Mast Lights installed	36 High Mast Lights installed by June 2016	311 High Mast Lights installed	1	Appointment of service provider	Not Achieved	Tender has been advertised and closed on the 28th September 2016		R 10 960 000.00	R 0.00	Project advertised late in the quarter however evaluation has started already	Speed up the evaluation process and award the tender during the month of October 2015	Completion certificates
					2	25% Construction	Not Achieved	Contractor appointed, site establishment complete			R 2 516 181.34	Project advertised late in the quarter however evaluation has started already	Speed up the evaluation process and award the tender during the month of October 2015	
					3	60% Construction	Not Achieved	Excavations are done for the 36, buy with Concrete bollards for 16 Mast. High Mast lights poles purchased and waiting delivery to site	Not Achieved		R 1 331 088.44	Delay in the testing of the soil for stability	Testing has been completed, installation of the masts to commence in April 2016	
					4	100% Construction	Not Achieved	Overall progress is 93% - 18 High mast lights installed			R 1 719 881.05	Slow progress of the contractor due to slow delivery of the masts from the supplier	Engagement held with the contractor to fast track the installation	
ITS 28	Service Delivery & Infrastructure Development	Number of reports on maintenance of community lighting infrastructure	4 maintenance reports by June 2018	4 maintenance reports by June 2018	1	1 report on maintenance of community lighting infrastructure	Not Achieved	All lights from Ledig intersection up to Kwa Maritane intersection have been repaired		R 3 000 000.00	R 595.08	None	None	Progress reports
					2	1 report on maintenance of community lighting infrastructure	Not Achieved	Street Lights Ledig, Mopwase 28 High Mast Lights Sandintsh 4, Mopwase 4, Mopong 6, Mabeakral 1, Tsekeeng 5, KwePhir 2, Mopong 6, Pella 22, Ramodibale 3			R 403 831.84	None	None	
					3	1 report on maintenance of community lighting infrastructure	Not Achieved	Total of 71 STREET LIGHTS: Mopwase Unit 1, Mopwase Unit 2, Mopwase Unit 3, Mopwase Unit 4, Mopwase Unit 5 South and North; Total of 107 High Mast Lights; Mopong, Kwa Phir, Pella, Mabeakral, Ledig, Tsekeeng and Boding	Not Achieved		R 428 752.90	The municipality is using one team, most of the time it becomes difficult to attend to all lights in various villages	Proposing beefing up of the Municipal electricity team.	
					4	1 report on maintenance of community lighting infrastructure	Achieved	1 report on maintenance of community lighting infrastructure			R 82 876.94	None	None	None

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Item Number	Key Performance Area	Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Status (achieved/ not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reason for Underperformance	Measures taken to improve performance	Portfolio of Evidence
ITS 29	Service Delivery & Infrastructure Development	Number of community halls constructed	1 Community Hall in Maleu constructed by June 2016	New	1	Appointment of service provider	Achieved	Project is 59% complete	Achieved	R 3 525 543,00	R 0,00	None	None	Completion certificates
					2	25% Construction	Achieved	Project is 59% complete			R 2 161 536,31	None	None	
					3	60% Construction	Achieved	97% Construction Phase			R 1 166 432,10	None	None	
					4	100% Construction	Achieved	Project 100% complete			R 93 231,18	None	None	
ITS 30	Service Delivery & Infrastructure Development	Number of community halls constructed	1 Community Hall in Lerome (Thabeng) constructed by June 2016	New	1	Appointment of service provider	Achieved	Tenders has been advertised and awarded	Achieved	R 3 101 575,00	R 0,00	None	None	Completion certificates
					2	25% Construction	Achieved	Project is 30% complete			R 336 725,51	None	None	
					3	60% Construction	Achieved	76% Construction Phase			R 1 599 556,76	None	None	
					4	100% Construction	Achieved	Project 100% complete			R 1 532 115,89	None	None	
ITS 31	Service Delivery & Infrastructure Development	Number of community halls constructed	1 Community Hall in Ulukx constructed by June 2016	New	1	Appointment of service provider	Not Achieved	Tender evaluated and adjudicated however appointment letter could not be issued by the end of the quarter	Not Achieved	R 4 241 127,00	R 0,00	Delay in procurement process	Service provider to be appointed in the next quarter	Completion certificates
					2	25% Construction	Not Achieved	Tender evaluated and adjudicated however appointment letter could not be issued by the end of the quarter			R 503 770,88	Delay in procurement process	Service provider to be appointed in the next quarter	
					3	60% Construction	Not Achieved	Contractor appointed, project at 10% Construction Phase			R 292 065,14	Contractor started site on site due delays in issuing of the appointment letter	Contractor was requested to fast track implementation but not compromising quality	
					4	100% Construction	Not Achieved	Project at 96% completion			R 2 593 660,16	Contractor was appointed late in the financial year	Contractor was requested to fast track implementation but not compromising quality	

Moses Kotane

Community Services: Mr Comfort Molokwane

Public Safety

To provide adequate emergency relief to all communities.

Strategic Objective	Item Number	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Quarterly Status (achieved/not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reason for Underperformance	Measures taken to improve performance	Portfolio of Evidence
Key Performance Area	COMSERV 1	Turnaround time for attending to incidents upon reporting		Incidents responded to within 24 hours of reporting by June 2016	Incidents responded to within 24 hours of reporting	1	Turnaround time for incidents attended to within 24 hours of reporting	Not Achieved	16 incidents reported and attended	Not Achieved	Operational	Operational	None	None	Incident register
						2	Turnaround time for incidents attended to within 24 hours of reporting	Not Achieved	24 incidents reported and attended			Operational	None	None	
						3	Turnaround time for incidents attended to within 24 hours of reporting	Not Achieved	38 incidents attended to but not within 24 hours of reporting			Operational	Lack of proper planning - The action does not have capacity to attend to all incidents within 24 hours	The Department has assigned two personnel from the Parks section to assist in the interim	
						4	Turnaround time for incidents attended to within 24 hours of reporting	Not Achieved	08 incidents reported and attended within 24 hours 01 incident reported and not attended within 24 hours			Operational	The assessment of the reported incident took longer than expected and delayed the process of provision of relief	The Department to improve the process of assessment and relief provision	
Service Delivery & Infrastructure Development	COMSERV 2	Number of disaster awareness campaigns conducted		4 disaster campaigns conducted by June 2016	4 disaster campaigns conducted	1	1 disaster awareness campaign - Segakwaneng village	Not Achieved	1 campaign conducted - Dikwepe community hall 29/09/2015	Not Achieved	R 550 000,00	Operational	None	None	Report and attendance register
						2	1 disaster awareness campaign - Maraneng village	Not Achieved	1 campaign conducted - Goodehope community hall 27/11/2015			Operational	None	None	
						3	1 disaster awareness campaign - Sandbaten village	Not Achieved	1 disaster awareness campaign conducted - Twesale village 16/02/2016			R 33 100	Initially it was planned for Sandbaten but had to be moved due to occurrence of incidents (flooding and storms)	The awareness campaign to be conducted in the 4th quarter in order to adhere to the initial plan	
						4	1 disaster awareness campaign - Matamelong village	Achieved	1 disaster awareness campaign conducted - Matamelong village 23/06/2016			R 19 000,00	None	None	None
COMSERV 3		Number of community based risk assessment conducted		4 community based risk assessments conducted by June 2016	4 community based risk assessments conducted	1	1 community based risk assessment - Mogoditshane village	Achieved	1 community based risk assessment - Mogoditshane 04/09/2016	Achieved		Operational	None	None	Report and attendance register
						2	1 community based risk assessment - Ukyk village	Achieved	1 community based risk assessment - Ukyk tribal hall 13/12/2015			Operational	None	None	None
						3	1 community based risk assessment - Ramothajwe village	Achieved	1 community based risk assessment - Ramothajwe 30 March 2016			R 33 100,00	None	None	None
						4	1 community based risk assessment - Goodehope village	Achieved	1 community based risk assessment - Goodehope Comm Hall 29/06/2016			R 1 500,00	None	None	None

Moses Kotane

To promote public safety

Moses Kotane

To coordinate transport programmes															
Strategic Objective	Item Number	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Quarterly Status (achieved/not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reason for Underperformance	Measures taken to improve performance	Portfolio of Evidence
Key Performance Area	COMSERV 7	Developed public transport by-law and approved by Council		Approved public transport by law- by March 2016	New	1	Draft public transport by-law	Not Achieved	Consulting process with stakeholders in progress	Not Achieved	Operational	Operational	None	None	Council resolution
						2	Public participation	Not Achieved	Consulting process with stakeholders			Operational	None	None	
						3	Approved public transport by-law	Not Achieved	Draft public transport by-law			Operational	Delays due to further consultation process with public transport operators as referred back by EXCO	Public transport operators consultation completed - to be tabled to Council in the 4th Quarter	
						4	-	Achieved	Approved Public Transport by-law			Operational	None	None	
Service Delivery & Infrastructure Development	COMSERV 8	Developed integrated public transport plan and approved by MANCO		Approved integrated public transport plan by March 2016	New	1	Appointment of service provider	Not Achieved	Joint consulting process with Province	Not Achieved	R 600 000.00	Operational			Council resolution
						2	Draft integrated public transport plan	Not Achieved				Operational			
						3	Approved integrated public transport plan	Not Achieved	Integrated transport plan not approved (in procurement phase awaiting advertisement)			Operational	Funding sourced during budget adjustment in January 2016	Awaiting approval of BID committee and advertisement	
						4	-	Not Achieved	Integrated transport plan going for re-advert in 2016/17			Operational	The bid specification committee has approved the specifications however has not been advertised	The advertisement to be done in the 2016/17 financial year	
COMSERV 9		Reviewed transport policy and approved by Council		Approved transport policy by September 2015	Transport policy	1	Draft transport policy	Achieved	Draft transport policy developed and submitted to Corporate Services for consultation	Not Achieved	Operational	Operational	Consultations completed with officials - Delays in securing a date for consultation of policies with Councilors	Request Office of the Speaker to assist in fast tracking consultation by Corporate Services Department	Council resolution
						2	Approved transport policy	Not Achieved	Draft transport policy developed and submitted to Corporate Services for consultation			Operational	Consultations completed with officials - Delays in securing a date for consultation of policies with Councilors	Request Office of the Speaker to assist in fast tracking consultation by Corporate Services Department	
						3	-	Not Achieved	Draft transport policy developed and submitted to Corporate Services for consultation			Operational	Consultations completed with officials - Delays in securing a date for consultation of policies with Councilors	Request Office of the Speaker to assist in fast tracking consultation by Corporate Services Department	
						4	-	Not Achieved	Draft transport policy developed and submitted to Corporate Services for consultation			Operational	The draft policy has been revised due to comments of the Internal Audit Unit	The revised draft policy to be resubmitted through processes of Approval	

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Item Number	Key Performance Area	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Quarterly Status (achieved/not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reason for Underperformance	Measures taken to improve performance	Portfolio of Evidence									
COMSERV 10	Service Delivery & Infrastructure Development	Number of reports on the implementation of feel management and transport policy		4 reports on the implementation of feel management and transport policy by June 2016	4 reports on the implementation of feel management and transport policy	1	1 report on the implementation of feel management and transport policy	Achieved	1 report on the implementation of feel management and transport policy	Achieved	Operational	Operational	None	None	Reports									
						2	1 report on the implementation of feel management and transport policy	Achieved	1 report on the implementation of feel management and transport policy			Operational	None	None										
						3	1 report on the implementation of feel management and transport policy	Achieved	1 report on the implementation of feel management and transport policy			Operational	None	None										
						4	1 report on the implementation of feel management and transport policy	Achieved	1 report on the implementation of feel management and transport policy			Operational	None	None										
COMSERV 11	Service Delivery & Infrastructure Development	Procured low bed truck and equipments (trailer, hydraulic jack and air compressor)		Procured low bed truck and equipments by March 2016		1	SCM processes	Not Achieved	Bid specification drawn up and submitted	Not Achieved	R 2 120 000,00	R 0,00	Bid specification committee referred the submission back for more technical information	To provide more technical information in the second quarter	Delivery note									
						2	Appointment of service provider	Not Achieved	Currently at adjudication, expedited appointment for service provider in January 2016			R 0,00	Bid specification committee referred the submission back for more technical information	To provide more technical information in the third quarter										
						3	Delivery of goods	Achieved	Low bed truck delivered			R 2 120 000,00	The appointed service provider is in the building phase of the low bed trailer and equipments awaiting completion and delivery	To be delivered in the 4th Quarter										
						4		Not Achieved	Awaiting for Delivery of low bed Trailer			R 0,00	The supplier has been engaged with a letter of termination due to the delay of delivery, the procurement process to be restarted	To fast track the procurement process in the 2016/17 financial year										
To provide security services to municipal facilities																								
Strategic Objective																								
COMSERV 12	Service Delivery & Infrastructure	Number of reports on security provided to Municipal	Revised Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Quarterly Status (achieved/not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reason for Underperformance	Measures taken to improve performance	Portfolio of Evidence									
																1	1 security services report	Achieved	1 security services report	Achieved	R 11 500 000,00	R 1 755 686,91	None	None
																2	1 security services report	Achieved	1 security services report			R 2 670 619,82	None	None
																3	1 security services report	Not Achieved	1 security services report			R 2 652 069,24	None	None
4	1 security services report	Not Achieved	1 security services report	R 7 297 279,38	None	None																		

Moses Kotane

Waste and Environment																
To provide effective waste removal services																
Strategic Objective	Item Number	Key Performance Area	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Quarterly Status (achieved/not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reason for Underperformance	Measures taken to improve performance	Portfolio of Evidence
COMSERV 13		Phase 2 of old Mogwase landfill site rehabilitated			Phase 2 of old Mogwase landfill site rehabilitated by June 2016	Phase 2 of Mogwase landfill site ongoing	1	20% construction	Not Achieved	18% construction completed	Not Achieved	R 3 677 851,00	R 0,00	None	None	Progress reports
							2	30% construction	Not Achieved	Progress report on the rehabilitation of the Old Mogwase Landfill site			R 3 364 553,55	None	None	
							3	30% construction	Not Achieved	During the project more technical issues were experienced which depleted the budgeted amount			R 313 297,45	During the implementation of the project, there was an extension of scope which led to the budget being exhausted	As per Council resolution 84/12015 - The Municipality to apply for extra funding in order to complete the project	
							4	20% construction	Not Achieved	During the project more technical issues were experienced which depleted the budgeted amount			-	Through engagement with the Provincial READ the Municipality was advised to review the scope of work in line with the rehabilitation license conditions	The Municipality to revise the scope to adhere to the license conditions in the 2017/2018 financial year	
COMSERV 14		Number of reports on the operations and management of new Mogwase landfill site			4 reports on the maintenance of new Mogwase landfill site by June 2016	2014/15 maintenance reports	1	1 report on the maintenance of new Mogwase landfill site	Achieved	3 reports on the maintenance of new Mogwase landfill site submitted	Achieved	R 3 000 000,00	R 388 100,00	None	None	Reports
							2	1 report on the maintenance of new Mogwase landfill site	Achieved	1 report on the maintenance of new Mogwase landfill site submitted			R 1 274 800,00	None	None	
							3	1 report on the maintenance of new Mogwase landfill site	Achieved	1 report on the maintenance of new Mogwase landfill site submitted			R 1 194 300,00	None	None	
							4	1 report on the maintenance of new Mogwase landfill site	Achieved	1 report on the maintenance of new Mogwase landfill site submitted			R 1 641 600,31	None	None	
COMSERV 15		Number of reports on the maintenance of Madikwe landfill site			4 reports on the maintenance of Madikwe landfill site by June 2016	2014/15 maintenance reports	1	1 report on the maintenance of Madikwe landfill site	Achieved	3 reports on the maintenance of Madikwe landfill site submitted	Achieved	R 1 300 000,00	R 0,00	No dedicated plant machinery allocated for Madikwe landfill	The Department to request assistance from the Infrastructure and Technical Services Department in terms of plant machinery	Reports
							2	1 report on the maintenance of Madikwe landfill site	Achieved	1 report on the maintenance of Madikwe landfill site submitted			R 0,00	No dedicated plant machinery allocated for Madikwe landfill	The Department to request assistance from the Infrastructure and Technical Services Department in terms of plant machinery	
							3	1 report on the maintenance of Madikwe landfill site	Achieved	1 report on the maintenance of Madikwe landfill site submitted			R 0,00	None	None	
							4	1 report on the maintenance of Madikwe landfill site	Achieved	1 report on the maintenance of Madikwe landfill site submitted			R 1 080 595,60			

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Item Number	Key Performance Area	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Baseline	Quarter	Quarterly Target	Quarterly Status (Achieved/Not Achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reason for Underperformance	Measures taken to improve performance	Portfolio of Evidence
COMSERV 16	Services Delivery & Infrastructure Development	Weekly collection of refuse in 107 villages and 2 townships	Number of households provided with refuse removal services	75 193 households provided with refuse removal services by June 2016	Weekly collection of refuse	1	75 193 households provided with refuse removal services	Achieved	3 reports for refuse collection complied	Not Achieved	R 18 105 665,00	R 2 292 395,73	Weekly collection data not verifiable	Procure software to track the wheelie bins for monitoring the refuse collection	Reports
						2	75 193 households provided with refuse removal services	Not Achieved	Report not compiled due to inavailability of information pertaining to newly employed waste collection contractor			R 5 235 500,27	Weekly collection data not verifiable	Procure software to track the wheelie bins for monitoring the refuse collection	
						3	75 193 households provided with refuse removal services	Not Achieved	Households provided with refuse removal services, however the verification of the number of households has not been completed			R 11 815 146,01	Verification of the households not completed. Not all households receiving the service as expected	To engage with the Department of Infrastructure and Technical Services to complete a household verification exercise in the 4th Quarter	
						4	75 193 households provided with refuse removal services	Not Achieved	Households provided with refuse removal services, however the verification of the number of households has not been completed			R 4 674 390,00	The verification exercise of the number of households has not been completed due to the Local Government Elections	The verification process to be completed with the new Council in 19/17 financial year	
COMSERV 17	Services Delivery & Infrastructure Development	Number of wheelie bins and skip bins procured		20 Skip bins and 1000 Wheelie bins procured by December 2015	New	1	Appointment of service provider	Not Achieved	Both tenders for skip bins and wheelie bins advertised and closed, to be sent to evaluation process	Achieved	R 2 000 000,00	R 0,00	Submission was done on the 11 September 2015	Awaiting for signature from CFO	Delivery note
						2	Delivery of goods	Not Achieved				R 0,00	Delays in delivery of		
						3		Achieved	1000 wheelie bins delivered			R 139 503,00	The appointed service provider was appointed in January and has not delivered the Skip bins	The Department to engage the Legal Service Unit to advise on the matter with the appointed service provider	
						4		Achieved	20 Skip bins delivered			R 440 000,00	None	None	

Moses Kotane

To ensure a healthy and clean environment																
Strategic Objective	Item Number	Key Performance Area	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Baseline	Quarter	Quarterly Target	Quarterly Status (achieved/not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reason for Underperformance	Measures taken to improve performance	Portfolio of Evidence
Service Delivery & Infrastructure Development	COMSERV 18		Number of cleaning campaigns conducted		12 cleaning campaigns conducted by June 2016	New	1	3 cleaning campaigns conducted - Mogwase, Madiwe, Moruleng, Diaweipi	Achieved	Mogwase - 1-3 July 2015, Moruleng Stadium 9 July 2015, Segalwaneng 13 July 2015, Lerome 14 August 2015, Mogwase Sun City road 21 August 2015	Not Achieved	R 1 050 000,00	Operational	Non adherence to the SDBIP	Adhere to the SDBIP	Report and attendance register
							2	3 cleaning campaigns conducted - Ledig, Mabesera, Lerome	Not Achieved	Ledig, Mabesera and Lerome clean up campaign not conducted			Operational	Non adherence to the SDBIP	Adhere to the SDBIP	
							3	3 cleaning campaigns conducted - Madiwe, Solile, Maclogane	Not Achieved	1 cleaning campaign conducted - Madiwe - 08 February 2016			Operational	Solile & Maclogane - unable to perform the campaign due to no community attendance	Office of the Speaker engaged on assistance with communication with stakeholders	
							4	3 cleaning campaigns conducted - Mogwase, Madiwe, Moruleng, Diaweipi	Achieved	Mogwase 28 April 2016, Madiwe 9 May 2016, Phela 12 May 2016			Operational	None	None	
	COMSERV 19		Number of awareness campaigns conducted		24 awareness campaigns conducted by June 2016		1	3 awareness campaigns conducted - Obakeng, Manabere, Ngweding, Legogole	Not Achieved	Kameelboom 6 July 2015, Mabele a Potl 15/16 July 2015, Lerome South 13 August 2015	Not Achieved		Operational	Non adherence to the SDBIP	Adhere to the SDBIP	Report and attendance register
							2	3 awareness campaigns conducted - Diaweipi, Ramothshwa, Mapapula	Achieved	Diaweipi 17 November 2015, Ramothshwa 17 December 2015, Mapapula 14 December 2015			Operational	None	None	
							3	3 awareness campaigns conducted - Leseltheng, Ramokoka, Phadi	Achieved	3 awareness campaigns conducted - Leseltheng - 29 February 2016, Ramokoka - 21 January 2016, Phadi - 16 March 2016			Operational	None	None	
							4	3 awareness campaigns conducted - Mogwase, Weigval, Sandfontein	Achieved	3 Awareness campaigns conducted - Weigval 21 April 2016, Sandfontein 10 May 2016, Mogwase 24 June 2016			Operational	None	None	
	COMSERV 20		Developed integrated waste management plan and approved by Council		Approved Integrated Waste Management plan by September 2015	Draft Integrated Waste Management plan	1	Approved integrated waste management plan	Not Achieved	Developed integrated waste management plan not approved	Not Achieved	Operational	Operational	Awaiting BPDM to finalise the document	Engage BPDM to finalise the finalisation	Council resolution
							2	-	Not Achieved	Developed integrated waste management plan not approved			Operational	Awaiting BPDM to finalise the document	Engage BPDM to finalise the finalisation	
							3	-	Not Achieved	Draft integrated waste management plan referred back to Bojanala Platinum District Municipality for rectification			Operational	Draft integrated waste management plan referred back to Bojanala Platinum District Municipality for rectification	Request BPDM to rectify the plan with the appointed service provider	
							4	-	Not Achieved	Service Provider has not yet rectified issues raised to Bojanala Platinum District Municipality			Operational	Draft integrated waste management plan referred back to Bojanala Platinum District Municipality for rectification	Request BPDM to rectify the plan with the appointed service provider	
	COMSERV 21		Developed integrated environmental management plan and approved by Council		Approved integrated environmental management plan by June 2016	New	1	SCM processes	Not Achieved	Terms of references received	Not Achieved	R 500 000,00	R 0,00	Terms of references developed and not submitted to the Bid Specification Committee	To submit the terms of reference in the second quarter	Council resolution
							2	Appointment of service provider	Not Achieved	Evaluation process has been extended for a month			R 0,00	Terms of references developed and not submitted to the Bid Specification Committee	To submit the terms of reference in the third quarter	
							3	Draft integrated environmental management plan	Not Achieved	The appointment of the service provider is at the bid adjudication stage			R 0,00	8 bidders were received and all bidders failed to obtain minimum required points on technicality	That the tender be readvertised	
							4	Approved integrated environmental management plan	Not Achieved	The integrated environmental management plan will be going on advertisement - 2016/17 financial year			R 0,00	The Bid Adjudication Committee has not provided the feedback on the delay of the appointment	The tender to be readvertised in 2016/2017	

To provide community facilities and programmes																
Strategic Objective	Key Performance Area	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Quarterly Status (achieved/ not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reason for Underperformance	Measures taken to improve performance	Portfolio of Evidence	
COMSERV 22	Performance	Number of reports on maintenance of community facilities (Parks, cemeteries, municipal buildings, community halls, sports facilities)	4 reports on maintenance of Community facilities (Parks, cemeteries, municipal buildings, community halls, sports facilities) by June 2016	2014/15 maintenance reports		1	1 report on maintenance of community facilities	Achieved	1 report on maintenance of community facilities	Achieved	R 1 600 000,00	R 452 859,65	None	None	Reports	
						2	1 report on maintenance of community facilities	Achieved	1 report on maintenance of community facilities			R 936 274,27	None	None		
						3	1 report on maintenance of community facilities	Achieved	1 report on maintenance of community facilities			R 125 402,48	None	None		
						4	1 report on maintenance of community facilities	Achieved	1 report on maintenance of community facilities			R 308 263,74	None	None		
COMSERV 23	Performance	Number of cemeteries fenced	7 cemeteries fenced by June 2016	New		1	SCM processes	Achieved	Tender was advertised	Not Achieved	R 500 000,00	-	None	None	Completion certificates	
						2	Appointment of service provider	Not Achieved	Tender closed on the 6th November 2015			-	To be appointed within 90 days			
						3	7 cemeteries fenced - Sesobu, Welverdiend, Koffiekraal, Mabeekraal, Bapong, Magong, Sekkie	Not Achieved	Service provider appointed - materials delivered to respective cemeteries on the 29/03/2016			R 166 838,37	Delay in the delivery of materials by the service provider	Engaged the service provider and material delivered 29/03/2016 - installation of cemetery fencing to be completed in the 4th quarter		
						4	-	Not Achieved	1 Cemetery fenced by the community of Koffiekraal - 6 cemeteries outstanding			R 166 838,37	The fencing of the Cemeteries was not been completed due to the Local Government Elections as the Ward Councilors were the responsible for the oversight	The completion of the fencing in the 16/17 financial year		
COMSERV 24	Performance	Number of brush cutters and lawnmowers procured	20 brushcutters and 5 lawnmowers procured by June 2016	New		1	SCM processes	Achieved	Submission was done to SCM for public notice	Not Achieved	R 1 100 000,00	R 0,00	None	None		
						2	Appointment of service provider	Not Achieved	Service provider not appointed			R 0,00	Submission was done on the 11th September 2015	Evaluation process not done yet		
						3	Delivery of goods	Not Achieved	Service provider not appointed			R 0,00	The received bidding documents were not within the market related pricing	To be readvertised in the 16/17 financial year		
						4	20 brushcutters and 5 lawnmowers procured	Not Achieved	5 brushcutters procured			R 27 600	The received bidding documents were not within the market related pricing	To be readvertised in the 16/17 financial year		

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Item Number	Key Performance Area	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Quarterly Status (achieved/not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reason for Underperformance	Measures taken to improve performance	Portfolio of Evidence
COMSERV 25		Number of sports programmes financially supported		8 programmes financially supported by June 2016		1	2 sports programmes financially supported	Achieved	2 sports programmes financially supported Golden games - 25 August 2016 Basketball 26 September 2015	Not Achieved	R 300 000,00	R 79 945,00	None	None	Reports
						2	2 sports programmes financially supported	Not Achieved	1 sports programmes financially supported Volleyball - 21 November			R 36 030,00	None	None	
						3	2 sports programmes financially supported - Fun run and Soccer clinics	Not Achieved	1 sports programmes financially supported Fun run - 27 February 2016			R 54 490,00	Lack of proper planning - The soccer clinics not conducted due to insufficient equipment and lack of attendance from school scholars due to school holidays	The soccer clinics to be completed in the 4th quarter on the 13 April 2016	
						4	2 sports programmes financially supported	Achieved	2 sports programmes financially supported soccer coaching clinic 20 April 2016 Taskando tournament 21 May 2016			R 32 250,00	None	None	
COMSERV 26		Number of arts and culture programmes financially supported		4 arts and culture programmes financially supported by June 2016		1	1 arts and culture programmes financially supported	Not Achieved	2 preparatory meetings held for the Gospel competition	Not Achieved	R 200 000,00	R 0,00	Non attendance of stakeholders	To review the activities in the next quarter, to programmes to be held in the next quarter	Reports
						2	1 arts and culture programmes financially supported	Achieved	Cultural activities at Nwanalensising - 19 December 2015			R 4 500,00	The event was unsuccessful	To review the activities in the next quarter, to programmes to be held in the next quarter	
						3	1 arts and culture programmes financially supported	Not Achieved	0 arts and culture programmes financially supported			R 0,00	Delay in the arts and culture programmes due to the Sasokwane campaign	To be done in the 4th quarter - indigenous games	
						4	1 arts and culture programmes financially supported	Achieved	Indigenous games Medulla secondary school 04 June 2016			R 4 500,00	None	None	
COMSERV 27		Number of library programmes conducted		8 library programmes conducted by June 2016		1	2 library programmes - Women's month & Book week	Not Achieved	2 programmes - Lesema Borile Primary and Heritage Month Celebration	Not Achieved	R 100 000,00	R 6 000,00	Had to shuffle our calendar of events as some programmes were instigated by the Municipality e.g. Women's Month event	Align our calendar of events with the overall programme plan of the Municipality	Reports
						2	2 library programmes - Tickling preparatory & health awareness	Not Achieved	3 programmes - Elderly day Manamela Library, Toy library participation Mogwase library and Mogwase prison library re-establishment			R 10 850,00	Had to shuffle our calendar of events as some programmes were instigated by the Municipality e.g. Women's Month event	Align our calendar of events with the overall programme plan of the Municipality	
						3	2 library programmes - Back to school & Information Technology	Not Achieved	Lesema - Temogo special school - 17 February 2016; Lesema - Mokhehe primary school - 15 March 2016				Lack of proper planning; Back to school - The planned school activities clashed with the athletics programmes of the schools; IT - The section was participating in the Sasokwane programme	Engage with the Department of Education to align the programmes	
						4	2 library programmes - Africa Month & Youth Month	Achieved	2 Programs done Africa Month-Mabesraal Library 27/05/16 & Youth Month Celebrations at Phiso desule Jang Village 21/05/2016			R 46 485,00	None	None	None

Item Number	Key Performance Area	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Quarterly Status (achieved/not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reason for Underperformance	Measures taken to improve performance	Portfolio of Evidence
COMSERV 28	Service Delivery & Infrastructure Development	Developed 2015/2016 library business plan and approved by MANCO		Approved library business plan by December 2015		1	Draft library business plan	Achieved	Approved, funds tendered to Municipality 01 October 2015	Achieved	Operational	Operational	None	None	Minutes and approved business plan
						2	Approved library business plan	Achieved	Approved library business plan			Operational	None	None	
						3	-	-	-			Operational	None	None	
						4	-	-	Confirmation letter from Province received			Operational	None	None	
COMSERV 29	Service Delivery & Infrastructure Development	Developed library motor vehicle business plan and approved by MANCO		Approved library motor vehicle business plan by September 2015		1	Approved library motor vehicle business plan	Achieved	Draft library motor vehicle plan	Achieved	Operational	Operational	None	None	Minutes and approved business plan
						2	-	-	Approved library motor vehicle business plan			Operational	None	None	
						3	-	-	-			Operational	None	None	
						4	-	-	Vehicle delivered			Operational	None	None	

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Item Number	Key Performance Area	Key Performance Indicator	Annual Target	Baseline	Quarterly Target	Quarterly Status (achieved/ not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reason for Underperformance	Measures taken to improve performance	Portfolio of Evidence
PD3	Key Performance Area	Turnaround time for approval of subdivision and rezoning applications upon receipt	Approval of land applications within 4 months by June 2016	12 Months	1	Approval of subdivision and rezoning land applications within 4 months of receipt	Not Applicable	0 applications received	Operational	Operational	None	None	Register and Council Resolutions
					2	Approval of subdivision and rezoning land applications within 4 months of receipt	Not Applicable	0 applications received		Operational	None	None	
					3	Approval of subdivision and rezoning land applications within 4 months of receipt	Not Applicable	0 applications received		Operational	None	None	
					4	Approval of subdivision and rezoning land applications within 4 months of receipt	Not Achieved	1 application was received and is still within the timeframe - 23 May 2016		Operational	None	None	
PD4	Service Delivery & Infrastructure Development	Turnaround time for approval of township establishment applications upon receipt	Approval of township establishment applications within 6 months of receipt by June 2016	12 Months	1	Approval of township establishment applications within 6 months of receipt	Not Applicable	0 applications received	Operational	Operational	None	None	Register and Council Resolutions
					2	Approval of township establishment applications within 6 months of receipt	Not Applicable	0 applications received		Operational	None	None	
					3	Approval of township establishment applications within 6 months of receipt	Not Applicable	0 applications received		Operational	None	None	
					4	Approval of township establishment applications within 6 months of receipt	Not Applicable	0 applications received		Operational	None	None	
PD5		Number of outstanding land use management applications approved by Council	104 Outstanding land use management applications approved by June 2016	New	1	26 Outstanding land use management applications approved	Not Achieved	0 outstanding land use management applications approved	Operational	Operational	The items awaiting EXCO sitting	The HOD to request intervention from the Office of the Speaker for the approval of the items	Register and Council Resolutions
					2	26 Outstanding land use management applications approved	Not Achieved	0 outstanding land use management applications approved		Operational	The items awaiting EXCO sitting	The HOD to request intervention from the Office of the Speaker for the approval of the items	
					3	26 Outstanding land use management applications approved	Not Achieved	0 outstanding land use management applications approved		Operational	The items awaiting EXCO sitting	The HOD to request intervention from the Office of the Speaker for the approval of the items	
					4	26 Outstanding land use management applications approved	Not Achieved	0 outstanding land use management applications approved		Operational	The assessment of the land use management applications was not done to quantify the number of outstanding applications	Assessment to be done in the 2016/17 financial year	
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Item Number	Key Performance Area	Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Quarterly Status (achieved/ not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reason for Underperformance	Measures taken to Improve performance	Portfolio of Evidence
PD6	Service Delivery & Infrastructure Development	Developed bulk infrastructure business plan and approved by Municipal Manager	Approved bulk infrastructure business plan by December 2015	New	1	Engage Dept of Local government and human settlement and other stakeholders to assist in developing the business plan	Not Achieved	Informal engagement with Department of Rural Development and Land Reform	Not Achieved	Operational	Operational	Lack of staff	To involve ITS	Approved business plan
					2	Approved bulk infrastructure business plan	Not Achieved	Bulk infrastructure business plan not approved	Not Achieved	Operational	Operational	Lack of staff	To involve ITS	
					3	-	Not Achieved	Bulk infrastructure business plan not approved	Not Achieved	Operational	Operational	Lack of staff	To involve ITS	
					4	-	Not Achieved	Bulk infrastructure business plan not approved	Not Achieved	Operational	Operational	Lack of staff	To involve ITS	
PD7	Service Delivery & Infrastructure Development	Developed consolidated MKLM land audit report and approved by council	Approved MKLM land audit report by June 2016	Mogwase and Madikwe land audit report	1	Engage DRDLR to conduct land audit	Not Achieved	No engagement with the DRD & LR	Not Achieved	Operational	Operational	No formal meeting held with the Departments and READ	HOD to facilitate the meeting with the relevant Departments (DRD & LR and READ)	Council resolution and approved land audit report
					2	Consultation with land owners	Not Achieved	Draft terms of reference for the Land audit developed	Not Achieved	Operational	Operational	Lack of staff	Allocation of budget during the review	
					3	Draft land audit report	Not Achieved	No draft land audit report	Not Achieved	Operational	Operational	Insufficient funds	Allocation of budget to be included in the 16/17 financial year	
					4	Approved land audit report	Not Achieved	Land audit report not approved	Not Achieved	Operational	Operational	Insufficient funds	Allocation of budget to be included in the 16/17 financial year	
PD8	Service Delivery & Infrastructure Development	Developed spatial planning and land use management by-law for approval by Council	Approved spatial planning and land use management by-law by September 2015	Draft spatial planning and land use management by-law	1	Approved spatial planning and Land use management by-law	Not Achieved	Provisional approval for public consultation	Not Achieved	Operational	Operational			Council resolution and draft by-law
					2	-	Not Achieved		Not Achieved	Operational	Operational			
					3	-	Not Achieved		Not Achieved	Operational	Operational	The items awaiting EXCO sitting	The HOD to request intervention from the Office of the Speaker and the Office of the Mayor to attend Planning and Development item	
					4	-	Achieved		Achieved	Operational	Operational	None	None	

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Item Number	Key Performance Area	Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Quarterly Status (achieved/ not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reason for Underperformance	Measures taken to improve performance	Portfolio of Evidence
PD9	Service Delivery & Infrastructure	Developed Informal Street trading policy and approved by Council	Approved Informal Street trading policy by June 2016	New	1	Draft informal street trading policy	Not Achieved	Draft informal street trading policy	Not Achieved	Operational	Operational	Lack of town planning staff	Appointment of town planning staff to be prioritised	Council resolution
					2	Approved informal street trading policy	Not Achieved	Draft informal street trading policy			Operational	Awaiting the adoption of SPLUMA by-law	None	
					3	-	Not Achieved	Draft informal street trading policy			Operational	Delays by Departments to comment on the draft by law	Engage the Departments to comment on the draft by law	
					4	-	Not Achieved	-			Operational	Awaiting the adoption of SPLUMA by-law	None	
To facilitate the provision of RDP and Communal Rental Units housing.														
Strategic Objective														
Item Number	Key Performance Area	Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Quarterly Status (achieved/ not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reason for Underperformance	Measures taken to improve performance	Portfolio of Evidence
					1	600 Application forms facilitated	Not Achieved	600 Application forms facilitated	Not Achieved	Operational	Operational	Housing application form report not submitted	None	Housing application form report
					2	600 Application forms facilitated	Not Achieved	125 Application forms facilitated			Operational	Dept of Human settlement has not yet allocated new housing units, allocations to be done in March	Applications will be done soon after allocation of new units to Municipality	
					3	-					Operational	Not Applicable	Not Applicable	
PD10	Service Delivery & Infrastructure Development	Number of RDP housing application forms submitted to the DLG&HS	1200 application forms submitted by December 2015	2120 RDP Houses	4	-	Not Applicable		Achieved	Operational	Operational	9 meetings evidence submitted	None	Minutes and attendance register
1					10 Housing stakeholders meetings held	Not Achieved	9 housing stakeholders meetings held	Operational			None	None		
2					10 Housing stakeholders meetings held	Achieved	10 housing stakeholders meetings held	Operational			None	None		
3					10 Housing stakeholders meetings held	Achieved	13 housing stakeholders meetings held	Operational			None	None		
PD11	Service Delivery & Infrastructure Development	Number of housing stakeholder meetings held	30 meetings held by June 2016	40 Meetings	4	10 Housing stakeholders meetings held	Achieved	10 housing stakeholders meetings held	Achieved	Operational	Operational	None	None	Housing Inspection Register and inspection reports
1					Housing inspections attended to within 72 hours of request	Not Applicable	-	Operational			None	None		
2					Housing inspections attended to within 72 hours of request	Achieved	16 requests received and attended to within 72 hours	Operational			None	None		
3					Housing inspections attended to within 72 hours of request	Achieved	64 housing inspection attended to within 72 hours	Operational			None	None		
PD12	Service Delivery & Infrastructure Development	Turnaround time for attending housing inspection requests	Housing inspections attended to within 72 hours of request by June 2016	72 Hours	4	Housing inspections attended to within 72 hours of request	Achieved	12 request received and inspected within 72 hours	Achieved	Operational	Operational	None	None	Housing Inspection Register and inspection reports
1					Housing inspections attended to within 72 hours of request	Not Applicable	-	Operational			None	None		
2					Housing inspections attended to within 72 hours of request	Achieved	16 requests received and attended to within 72 hours	Operational			None	None		
3					Housing inspections attended to within 72 hours of request	Achieved	64 housing inspection attended to within 72 hours	Operational			None	None		

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Item Number	Key Performance Area	Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Quarterly Status (achieved/ not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reason for Underperformance	Measures taken to improve performance	Portfolio of Evidence
PD13	Service Delivery & Infrastructure Development	Turnaround time for approval of building plans upon request	Approval of building plans within 4 weeks of request by June 2016	4 Weeks	1	Approval of building plans within 4 weeks of request	Achieved	97 plans received and approved within 4 weeks	Achieved	Operational	Operational	None	None	Building plans register
					2	Approval of building plans within 4 weeks of request	Achieved	10 plans received and approved within 4 weeks						
					3	Approval of building plans within 4 weeks of request	Achieved	16 building plans approved within 4 weeks of request						
					4	Approval of building plans within 4 weeks of request	Achieved	17 plans approved within 4 weeks						
PD14	Service Delivery & Infrastructure Development	Turnaround time for issuing of non-compliance notices upon sighting	Non-compliance notices issued within 48 hours of sighting by June 2016	48 Hours	1	Non-compliance notices issued within 48 hours of sighting	Not Applicable	0 non-compliance notices issued	Not Applicable	Operational	Operational	None	None	Non-compliance register
					2	Non-compliance notices issued within 48 hours of sighting	Not Applicable	0 non-compliance notices issued						
					3	Non-compliance notices issued within 48 hours of sighting	Not Applicable	0 non-compliance notices issued						
					4	Non-compliance notices issued within 48 hours of sighting	Not Applicable	0 non-compliance notices issued						

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Local Economic Development														
Strategic Objective		To promote economic growth (ACT; agriculture, culture, tourism, mining)												
Item Number	Performance Area	Key Performance Indicator	Annual Target	Baseline	Quarter	Quarterly Target	Quarterly Status (achieved/ not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reason for Underperformance	Measures taken to improve performance	Portfolio of Evidence
PD15	Developed tourism master plan and approved by Council	Approved tourism master plan by December 2015	Draft tourism master plan	1	1	Management and EXCO work-shopped	Not Achieved	Management and EXCO were not workshopped	Not Achieved	R 700 000,00	R 1 500,00	The date for the workshop coincided with the NCOF visit	The workshop to be facilitated in the next quarter	Council resolution and tourism master plan
					2	Approved tourism master plan	Not Achieved	Management and EXCO were not workshopped			R 7 886,73	Non-adherence of EXCO sitting hampered with the service provider	Facilitation of approval of the master plan in the 3rd quarter	
					3	-	Not Achieved	Draft Tourism master plan presented to the LED portfolio committee			R 0,00	The items awaiting EXCO sitting	The HOD to request intervention from the Office of the Speaker and the Office of the Mayor to attend Planning and Development Item	
					4	-	Not Achieved	Tourism master plan not approved			R 3 354,39	Non-adherence of EXCO sitting hampered with the service provider	Facilitation of approval of the master plan in the next financial year	
PD16	Number of job opportunities created through LED projects	418 job opportunities created through LED projects by June 2016	1700 Job opportunities	1	1	5 Job opportunities created through LED projects	Not Achieved	0 job opportunities created	Not Achieved	R 1 446 000,00	R 0,00	Public notices for the project where jobs will be created are still under scrutiny by the engineers at the ITS prior to being advertised	To test track the process of appointment of service providers	Attendance register
					2	408 Job opportunities created through LED projects	Not Achieved	5 job opportunities created			R 231 491,00	There was revision b the EPWP implementation plan	Recruitment of 180 beneficiaries in the next quarter	
					3	5 Job opportunities created through LED projects	Not Achieved	128 EPWP beneficiaries recruited			R 230 637,26	There is no dedicated official assigned for data capturer duties	A temporary employee appointed on the 1st March 2016 for data capturing duties	
					4	-	Not Achieved	136 EPWP beneficiaries recruited			R 871 858,52	Village uncertainties	Proper consultation with ward councillors & community structures	

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Item Number	Key Performance Area	Key Performance Indicator	Annual Target	Baseline	Quarter	Quarterly Target	Quarterly Status (achieved/not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reason for Underperformance	Measures taken to improve performance	Portfolio of Evidence
PD17	Local Economic Development	Number of feasibility studies conducted	3 Feasibility studies developed by June 2016	2 Feasibility studies	1	1 Feasibility study conducted	Not Achieved	0 feasibility studies conducted	Not Achieved	Operational	R 0,00	Late submission of SCM specifications	To fast track the process of appointment of service providers	Feasibility studies
					2	SCM processes	Achieved	1 feasibility study conducted			R 30 000,00	Delay from SCM - Department submitted request for Cultural Village feasibility study on the 30/11/2015 and acknowledged by SCM on the 11/12/2015		
					3	2 Feasibility study conducted	Not Achieved	0 feasibility studies conducted - three specifications submitted and only one (Heritage Impact Survey) was appointed on the 15/03/2016			R 0,00	Delay from scm; MKLM Tourism Centre submitted on the 22nd January 2016 and acknowledged on the 25/01/2016	The Department to engage BTO to assist in finalising SCM processes	
					4	-	Not Achieved	1 feasibility study - tourism information centre			R 345 176,80	Service provider not compliant to SCM	To implement the studies in the next financial year	
PD18		Number of SMMEs supported through marketing initiatives	30 SMMEs financially supported through marketing initiatives by June 2016	41 SMMEs	1	6 SMMEs financially supported through marketing initiatives	Achieved	41 SMMEs supported through - Gateway show (2) and Pretoria Show (60 farmers)	Achieved	Operational	R 29 350,00	None	None	SMME report
					2		Achieved	41 SMMEs supported through - Gateway show (2) and Pretoria Show (39 farmers)			R 47 330,18	None	None	
					3		Achieved	37, 2 meeting Africa and 35 MKLM Farmer market			R 64 806,78	None	None	
					4		Achieved	147 - 60 Nampo and 55 int Coop Day and 32 Poultry excursion			R 479 939,82	None	None	

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Item Number	Key Performance Area	Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Quarterly Status (achieved/ not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reason for Underperformance	Measures taken to improve performance	Portfolio of Evidence
PD19	Local Economic Development	Number of SMEs supported financially	13 SMEs supported financially by June 2016	8 SMEs	1	SCM processes	Achieved	5 SMEs supported financially	Achieved	Operational	R 9 150,00	None	None	Expenditure report
					2	4 SMEs supported financially	Achieved	5 SMEs supported financially			R 376 224,95	None	None	
					3		Achieved	28 SMEs (Rural Chickens & Feeds Distribution -4 Goats pellets= (Khunou, Mabalstad, Sesobe, and Podinelebo) -3 Pig meal projects = (Makgwe, Lethakeng, nkwe piggery) -3 Lay mash (ponelopele, dwarsberg, olshapeng layers) 1 Retsohle Vegetable garden Brading of 15 Tour Operators vehicles - 1 Seolong Museum 8 SMEs - Kameelboom, Magong, Manamagofhe, Bapong Coops, Khunou Goat, Retsohle, Molatedi CPC, Olshapeng Coop			R 417 966,40	None	None	
					4		Achieved				R 870 489,42	None	None	
PD20	Local Economic Development	Heritage park walk financially supported	Heritage park walk financially supported by June 2016	2014-2015 Heritage park walk financially supported	1	-	Not Yet Due	Not Yet Due	Not Yet Due	Operational	-	-	-	Heritage park walk financial report
					2	-	Not Yet Due	Not Yet Due			-	-	-	
					3	-	Not Yet Due	Not Yet Due			-	-	-	
					4	Heritage park walk financially supported	Not Achieved	Heritage Park Walk not financially supported			R 0,00	Project initiator (NWPTB) could not host the event due to restructuring	To await an updated us with their new changes	
PD21	Local Economic Development	Number of LED training programmes implemented	3 LED training programmes implemented by June 2016 -Sewing skills - Goat management	3 LED training programmes	1	SCM processes	Not Achieved	Public notice specifications developed and due to SCM 2 trainings conducted and funded by SEDA and Agri SETA	Not Achieved	Operational	R 191 237,97	None	None	Attendance register and training report
					2	1 Training programme implemented	Achieved	Sewing Project Training submitted to SCM 30 November 2015 acknowledged -15 December 2015			R 102 560,05	None	None	
					3	1 Training programme implemented	Not Achieved	Specification for three training programmes were re-submitted for public notice.			R 0,00	Delay from SCM	The Department to engage BTO to assist in finalising SCM processes	
					4	1 Training programme implemented	Not Achieved	2 trainings 11 weeks and 1 poultry management			R 460 066,46	No response from bidders	Training to be considered in the next financial year	

Item Number	Key Performance Area	Key Performance Indicator	Annual Target	Baseline	Quarter	Quarterly Target	Quarterly Status (achieved/not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reason for Underperformance	Measures taken to improve performance	Portfolio of Evidence
PD22	Local Economic Development	SMME summit held	SMME summit held by September 2015	New	1	SMME summit held	Not Achieved	SMME summit not held	Not Achieved	Operational	Operational	Date for the summit coincided with the date for the IDP public participation	The SMME summit to be held in the 2nd quarter	SMME summit report and attendance register
					2	-	Not Achieved	SMME summit not held			Operational	Proposed date for the summit is February 2016	To fast track logistics for the summit	
					3	-	Not Achieved	-			Operational	Lack of coordination	The SMME summit to be held in the 4th quarter	
					4	-	Not Achieved	0			Operational	Lack of coordination	To consider the summit in the next financial year	
PD23	Local Economic Development	Number of LED forum meetings held	2 LED forum meetings held by June 2016	2 meetings	1	-	Not Yet Due	Not Yet Due	Not Achieved	Operational	Operational	None	None	Minutes and attendance register
					2	1 LED forum meetings held	Not Achieved	0 LED forum meetings held			Operational	None	None	
					3	-	Not Yet Due	Not Yet Due			Operational	None	None	
					4	1 LED forum meetings held	Achieved	1 LED forum meeting held			Operational	None	None	

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Budget and Treasury Office: Ms Olga Ndlovu

Revenue													
To increase revenue collection													
Strategic Objective	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Status (achieved/ not achieved)	Quarter Actual	Annual Budget	Quarterly Expenditure	Challenges/Risks on for Underperformance	Measures taken to improve performance	Portfolio of Evidence
Key Performance Area	% increase in revenue collected		70 % increased in revenue collected by June 2016	62.25 % increase in revenue collected	1	-	Achieved	Not Yet Due	Operational	-	-	-	Revenue and Billing Reports
					2	4% increase in cumulative billing		-		-	-		
					3	-		76% [R179 885392/R137 848376] of the billing has been achieved		Operational	None	None	
					4	4% increase in cumulative billing		200% [197086704:137848 376]		Operational	None	None	
	Number of credit control campaigns conducted		2 credit control campaigns conducted by June 2016	2 credit control campaigns conducted	1	-	Not Achieved	Not Yet Due	Operational	-	-	-	Attendance Registers
					2	1 credit control campaigns conducted		-		-	-		
					3	-		0 credit control campaigns conducted		Operational	Credit control campaign not conducted due to community unrest	Credit control campaign to be conducted in the 4th quarter	
					4	1 credit control campaigns conducted		0 credit control campaigns conducted		Operational	community protest from April 2016 ensuing beginning of June making it difficult to convene meetings	Integrate the campaigns with the IDP and budget meetings	
Municipal Financial Viability	BTO 1												
BTO 2													

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Expenditure																
To improve expenditure of operational and capital budget																
Strategic Objective	Item Number	Key Performance Area	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Status (achieved/ not achieved)	Quarter Actual	Annual Budget	Quarterly Expenditure	Challenges/Reasons on for Underperformance	Measures taken to improve performance	Portfolio of Evidence	
Municipal Financial Viability	BTO 3	Key Performance Area	Developed procurement Plan and approved by MANCO		Approved Procurement Plan by July 2015	14-15 Procurement Plan submitted to MANCO	1	Approved procurement plan	Not Achieved	Procurement plan developed and approved	Operational	Operational	None	None	Procurement Plan Developed Minutes /acknowledgment of receipt	
							2	-		Procurement plan developed and approved		Operational		None		
							3	-		Not Applicable		Operational		None		
							4	-								
	BTO 4		2015-2016 Supplier database updated		Quarterly updated database by June 2016	2014/2015 Database report	1	Updated supplier database	Achieved	Supplier database updated	Operational	Operational	None	None	Updated Supplier Database	
							2	Updated supplier database		Supplier database updated		Operational		None		
							3	Updated supplier database		Supplier database updated		Operational		None		
							4	Updated supplier database		Supplier database updated		Operational		None		
	BTO 5		Turnaround time on competitive bids awarded			Competitive bids awarded within 90 days by June 2016	Competitive bids awarded within 90 days	1	Competitive bids awarded within 90 days	Not Achieved	22 bids advertised 4 awarded	Operational	Operational	Date of competitive bids awarding was not indicated in the register	The register must indicate the date advertised and the date awarded to track turnaround time	Bid Register
								2	Competitive bids awarded within 90 days				-			
								3	Competitive bids awarded within 90 days		3 tenders advertised - 1. 01/01/KLM/2015/2016 (awarded) 2. Tender 027/03/2016 (evaluation stage within 90days) 3. Tender 028/2015/2016 (Not yet closed)		Operational	None		
								4	Competitive bids awarded within 90 days		3 tenders advertised in the quarter but in June 2016 but opening in July 2016		Operational	None		

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Item Number	Key Performance Area	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Status (achieved/not achieved)	Quarter Actual	Annual Budget	Quarterly Expenditure	Challenges/Risks on for Underperformance	Measures taken to improve performance	Portfolio of Evidence
BTO 6	Municipal Financial Viability	Turnaround time on public notices awarded		Public notices awarded within 7 days by June 2016	Public notices awarded within 7 days	1	Public notices awarded within 7 days	Not Achieved	15 public notices advertised 4 awarded	Operational	Operational	Date of public notice awarded was not indicated in the register	The register must indicate the date advertised and the date awarded to track turnaround time	Public Notice Register
						2	Public notices awarded within 7 days		-					
						3	Public notices awarded within 7 days		20 notices were advertised, 10 not yet awarded					
						4	Public notices awarded within 7 days		3 notices advertised and none were due in June for the award					
BTO 7	Municipal Financial Viability	Turnaround time on creditors paid on receipt of invoice		Creditors paid within 30 days by June 2016	Creditors paid within 30 days of receipt of invoice	1	Creditors paid within 30 days of receipt of invoice	Not Achieved	Payments made within 30 days of invoice	Operational	Operational	Payment register not attached	None	Payment Register
						2	Creditors paid within 30 days of receipt of invoice		Payments made within 30 days of invoice					
						3	Creditors paid within 30 days of receipt of invoice		Payments made within 30 days of invoice					
						4	Creditors paid within 30 days of receipt of invoice		Payments made within 30 days of invoice					
BTO 8	Municipal Financial Viability	Number of reports on the updated GRAP compliance assets register		4 reports on the updated assets register by June 2016	2014/2015 Asset Register updated	1	1 report on the updated assets register	Achieved	Assets register has been updated also for audit purposes	Operational	Operational	None	None	Updated GRAP compliance assets register
						2	1 report on the updated assets register		-					
						3	1 report on the updated assets register		Assets register updated					
						4	1 report on the updated assets register		Assets register updated					
BTO 9	Municipal Financial Viability	Number of assets disposal reports submitted to council		4 assets disposal reports submitted to Council by June 2016	New	1	1 assets disposal reports submitted to Council	Not Achieved	Disposal committee did not convene due to audit	Operational	Operational	The quorum could not be reached to deal with the disposal issues	Encourage committee to meet to deal with the issues of the disposal	Council resolution and Report
						2	1 assets disposal reports submitted to Council		Disposal committee did not convene due to audit					
						3	1 assets disposal reports submitted to Council		0 assets disposal reports submitted to Council					
						4	1 assets disposal reports submitted to Council		0 assets disposal reports submitted to Council					

Supply Chain Management

To ensure effective and efficient financial management systems and procedures

Strategic Objective	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Status (achieved/not achieved)	Quarter Actual	Annual Budget	Quarterly Expenditure	Challenges on for Underperformance	Measures taken to improve performance	Portfolio of Evidence
Key Performance Area	Capacity building conducted		SCM officials and bid Committee trained by June 2016	14-15 Capacity Building Training conducted	1	-	Achieved	Not Yet Due	Operational	Operational	-	-	Certificates and Trailing Report
					2	SCM officials and bid committee members trained		Provincial (CIBB) confection development forum where nominated bid committees members attended		Operational	None	None	
					3	-		Not Yet Due		Operational	None	None	
					4	SCM officials and bid committee members trained		CSD training on the 19 April 2016, SCM training on the 14 June 2016.		Operational	None	None	
Municipal Financial Viability	Number of Payroll reconciliations performed		12 Payroll reconciliations performed by June 2016	14-15 Payroll reconciliations performed	1	3 Payroll reconciliations performed	Achieved	Payroll reconciliations performed on a monthly basis	Operational	Operational	None	None	Reconciliations report
					2	3 Payroll reconciliations performed		Payroll reconciliations performed on a monthly basis		Operational	None	None	
					3	3 Payroll reconciliations performed		Payroll reconciliations performed on a monthly basis		Operational	None	None	
					4	3 Payroll reconciliations performed		Payroll reconciliations performed on a monthly basis		Operational	None	None	
BTO 12	Number of Bank reconciliations performed		12 Bank reconciliations performed by June 2016	14-15 Bank reconciliations performed	1	3 Bank reconciliations performed	Achieved	Bank are reconciled monthly	Operational	Operational	None	None	Reconciliations report
					2	3 Bank reconciliations performed		Bank are reconciled monthly		Operational	None	None	
					3	3 Bank reconciliations performed		Bank are reconciled monthly		Operational	None	None	
					4	3 Bank reconciliations performed		Bank are reconciled monthly		Operational	None	None	
BTO 13	Number of Grants reconciliations performed		12 Grants reconciliations performed by June 2016	14-15 Grants reconciliations performed	1	3 Grants reconciliations performed	Achieved	Grants are reconciled on a monthly basis	Operational	Operational	None	None	Reconciliations report
					2	3 Grants reconciliations performed		Grants are reconciled on a monthly basis		Operational	None	None	
					3	3 Grants reconciliations performed		Grants are reconciled on a monthly basis		Operational	None	None	
					4	3 Grants reconciliations performed		Grants are reconciled on a monthly basis		Operational	None	None	

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Item Number	Key Performance Area	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Status (achieved/ not achieved)	Quarter Actual	Annual Budget	Quarterly Expenditure	Challenges/Reas on for Underperformanc e	Measures taken to improve performance	Portfolio of Evidence
BTO 14	Number of VAT returns reconciled performed			12 VAT returns reconciled performed by June 2016	14-15 VAT returns reconciled performed	1	3 VAT reconciliations performed	Achieved	VAT returns are submitted on a monthly basis	Operational	Operational	None	None	Reconciliations report
						2	3 VAT reconciliations performed		VAT returns are submitted on a monthly basis				None	
						3	3 VAT reconciliations performed		VAT returns are submitted on a monthly basis				None	
						4	3 VAT reconciliations performed		VAT returns are submitted on a monthly basis				None	
BTO 15	Number of Loans reconciled performed			12 Loans reconciled performed by June 2016	14-15 Loans reconciled performed	1	3 Loans reconciliations performed	Achieved	Loans reconciliations are reconciled on a monthly basis	Operational	Operational	None	None	Reconciliations report
						2	3 Loans reconciliations performed		Loans reconciliations are reconciled on a monthly basis				None	
						3	3 Loans reconciliations performed		Loans reconciliations are reconciled on a monthly basis				None	
						4	3 Loans reconciliations performed		Loans reconciliations are reconciled on a monthly basis				None	
BTO 16	Number of Investments reconciled performed			12 investments reconciled performed by June 2016	14-15 Investments reconciled performed	1	3 Investments reconciliations performed	Achieved	Investment reconciliations are updated on a monthly basis	Operational	Operational	None	None	Reconciliations report
						2	3 Investments reconciliations performed		Investment reconciliations are updated on a monthly basis				None	
						3	3 Investments reconciliations performed		Investment reconciliations are updated on a monthly basis				None	
						4	3 Investments reconciliations performed		Investment reconciliations are updated on a monthly basis				None	
BTO 17	2015/16 adjustment budget submitted to Council			Adjustment Budget submitted to council by February 2016	14-15 Adjustment Budget submitted to council	1	-	Achieved	Not Yet Due	Operational	Operational	None	None	Council Resolution
						2	-		Not Yet Due				None	
						3	Approved 2015-2016 adjustment budget		Approved 2015-2016 adjustment budget				None	
						4	-		Not Applicable				None	

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Item Number	Key Performance Area	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Status (achieved/ not achieved)	Quarter Actual	Annual Budget	Quarterly Expenditure	Challenges/Reasons on for Underperformance	Measures taken to improve performance	Portfolio of Evidence
BTO 18	Municipal Financial Viability	2016/17 Draft budget submitted to Council		Draft budget submitted to Council by March 2016	15-16 Draft Budget	1	-	Achieved	Not Yet Due	Operational	Operational	None	None	Council Resolution
						2	-		Not Yet Due		Operational	None	None	
						3	Approved 2016-2017 draft budget		Draft budget has been approved by Council in March 2016		Operational	None	None	
						4	-		Not Applicable		Operational	None	None	
BTO 19	Municipal Financial Viability	Reviewed budget policies and approved by Council		Approved budget policies by May 2016	15-16 Reviewed and adopted Budget policies	1	-	Not Yet Due	Not Yet Due	Operational	-	-	-	Council Resolution
						2	-		Not Yet Due		-	-	-	
						3	-		Not Yet Due		-	-	-	
						4	Approved budget policies				-	-	-	
BTO 20	Municipal Financial Viability	Developed 2016/17 Budget and approved by Council		Approved 2016/17 Budget by May 2016	15-16 Budget developed	1	-	Not Yet Due	Not Yet Due	Operational	-	-	-	Council Resolution
						2	-		Not Yet Due		-	-	-	
						3	-		Not Yet Due		-	-	-	
						4	Approved 2016-2017 budget		Final budget approved on the 28 May 2016		Operational	None	None	

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To ensure compliance with applicable legislation and statutes															
Strategic Objective	Key Performance Area	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Status (achieved/ not achieved)	Quarter Actual	Annual Budget	Quarterly Expenditure	Challenges/Reasons for Underperformance	Measures taken to improve performance	Portfolio of Evidence	
Municipal Financial Viability	Key Performance Area	Number of monthly budget statements (Section 71 Reports) submitted to Provincial Treasury by the 10th working day		12 monthly budget statements submitted by June 2016	12 monthly budget statements submitted by the 10th working day to Provincial Treasury	1	3 monthly budget statements submitted	Achieved	Monthly budget statements are done on a monthly basis	Operational	Operational	None	None	Council resolution and acknowledgement of receipt	
						2	3 monthly budget statements submitted		Monthly budget statements are done on a monthly basis		Operational	None	None		
						3	3 monthly budget statements submitted		Monthly budget statements are done on a monthly basis		Operational	None	None		
						4	3 monthly budget statements submitted		Monthly budget statements are done on a monthly basis		Operational	None	None		
	BTO 21		Number of quarterly reports (Section 52 reports) submitted to Council		4 Section 52 reports submitted to Council by June 2016	4 Quarterly reports submitted to Council	1	1 section 52 reports submitted	Achieved	1 report submitted	Operational	Operational	None	Council resolution	
							2	1 section 52 reports submitted		1 report submitted		Operational	None		None
							3	1 section 52 reports submitted		1 report submitted		Operational	None		None
							4	1 section 52 reports submitted		1 report submitted		Operational	None		None
	BTO 22		Mid-year budget and performance report submitted to Council		1 Mid-year budget and performance report submitted to Council by January 2015	1 Mid-year budget and performance report submitted	1	-	Achieved	Not Yet Due	Operational	-	-	Council resolution	
							2	-		Not Yet Due		-	-		-
							3	1 Mid year budget and performance report submitted		Mid year budget statement has been adopted by Council		Operational	None		None
							4	-		Not Applicable		-	-		-
	BTO 23	2014- 2015 AFS prepared and submitted to Auditor General		14-15 AFS submitted to Auditor General by June 2016	13-14 AFS prepared and submitted	1	AFS submitted to Auditor General	Achieved	AFS has been submitted to on the 31 August 2015	Operational	Operational	None	None	Acknowledgement of receipt	
						2	-		Not Applicable		-	-	-		
						3	-		Not Applicable		-	-	-		
						4	-		Not Applicable		-	-	-		
	BTO 24	Number of SCM quarterly reports submitted to MANCO		4 SCM quarterly reports submitted to MANCO by June 2016	4 SCM quarterly reports submitted to MANCO	1	1 SCM quarterly report submitted	Achieved	1 SCM quarterly report submitted	Operational	Operational	None	None	Minutes, attendance register and Report	
						2	1 SCM quarterly report submitted		1 SCM quarterly report submitted		Operational	None	None		
						3	1 SCM quarterly report submitted		1 SCM quarterly report submitted		Operational	None	None		
						4	1 SCM quarterly report submitted		1 SCM quarterly report submitted		Operational	None	None		

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Item Number	Key Performance Area	Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Quarterly Status (achieved/not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reasons for Underperformance	Measures taken to improve performance	Portfolio of Evidence
CORP 1	Reviewed organisational structure and approved by Council	Approved organisational structure by September 2015	Approved organisational structure		1	Reviewed organisational structure and approved	Not Achieved	Reviewed organisational structure not approved	Achieved	Operational	Operational	Delays in consultation	Submission to be done in the second quarter	Council Resolution
					2	-	Not Achieved	Reviewed organisational structure not approved			Operational	Delays in consultation	Submission to be done in the third quarter	
					3	-	Not Achieved	Organisational structure submitted to portfolio committee for noting			Operational	The items awaiting EXCO sitting	The Department to request intervention from the Office of the Speaker and the Mayor to attend approval of the organisational structure item	
					4	-	Achieved	Organisational structure approved			Operational	None	None	
CORP 2	Number of positions evaluated	368 positions evaluated by June 2016	101 positions evaluated		1	92 positions evaluated	Achieved	100 positions evaluated	Achieved	Operational	Operational	None	None	Job evaluation report
					2	92 positions evaluated	Achieved	90 positions evaluated			Operational	None	None	
					3	92 positions evaluated	Achieved	86 positions evaluated			Operational	None	None	
					4	92 positions evaluated	Achieved	92 positions evaluated			Operational	None	None	
CORP 3	Number of developed policies and approved by Council	3 approved policies by June 2016	New		1	OHS policy approved	Not Achieved	0 policies approved	Not Achieved	Operational	Operational	Policies not workshoped to Council due to delays	Fast track the workshop to Council	Council resolution
					2	Travelling and accommodation policy approved	Not Achieved	0 policies approved			Operational	Policies not workshoped to Council due to delays	Fast track the workshop to Council	
					3	Incarcerated employees policy approved	Not Achieved	0 policies approved			Operational	Policies not workshoped to Council due to delays	Fast track the workshop to Council	
					4	-	Not Achieved	0 policies approved			Operational	Non availability of internal stakeholders	Requested intervention of the Municipal Manager	

Item Number	Key Performance Area	Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Quarterly Status (achieved/not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reasons on Underperformance	Measures taken to improve performance	Portfolio of Evidence
CORP 4	Institutional Development & Municipal Transformation	Number of policies reviewed and approved by Council	4 Policies reviewed and approved by December 2015	Reviewed and approved policies	1	Consultation	Not Achieved	0 policies approved	Not Achieved	Operational	Operational	Policies not workshoped to Council due to delays	Fast track the workshop to Council	Council Resolution
					2	Approved Leave, Bursary, Remuneration, Recruitment policies	Not Achieved	0 policies approved			Operational	Policies not workshoped to Council due to delays	Fast track the workshop to Council	
					3	-	Not Achieved	0 policies approved			Operational	Policies not workshoped to Council due to delays	Fast track the workshop to Council	
					4	-	Not Achieved	0 policies approved			Operational	Non availability of internal stakeholders	Requested intervention of the Municipal Manager	
CORP 5	Institutional Development & Municipal Transformation	Employee performance management system cascaded to Head of Unit level	Employee performance management system cascaded by September 2015	New	1	Employee performance management system cascaded to Head of Unit level	Not Achieved	Cascading not done - unforeseen intervention from SALGA	Not Achieved	Operational	Operational	Intervention from SALGA regarding the cascading process	Finalise engagement with SALGA prior to implementation	Signed performance agreement
					2	-	Not Achieved	Cascading not done as more consultation was recommended			Operational	HOU is requesting more engagement on EPMS prior to cascading	To engage the HOU level in a workshop	
					3	-	Not Achieved	Employee performance management system not cascaded			Operational	Delay of EPMS due to further consultation required	To fast track and finalise consultation with HOU	
					4	-	Not Achieved	Employee performance management system not cascaded			Operational	No consultation was done due to shift in focus to OHS	Prioritise and review the KPI in the new financial year	

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Item Number	Key Performance Area	Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Quarterly Status (achieved/not achieved)	Quarterly Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reasons for Underperformance	Measures taken to improve performance	Portfolio of Evidence
CORP 6	Institutional Development & Municipal Transformation	Number of Human Resource Unit officials hired	11 officials of human resource unit hired by June 2016	New	1	6 human resources unit officials hired	Not Achieved	0 human resources officials hired	Not Achieved	Operational	Operational	Delays in recruitment processes due to understated HR unit	Fast-track the filling of HR positions	Appointment letters
					2	5 human resources unit officials hired	Not Achieved	0 human resources officials hired			Operational	Delays in recruitment processes due to understated HR unit	Fast-track the filling of HR positions	
					3	-	Not Achieved	0 human resources officials hired			Operational	The positions were advertised due to incorrect advert - The MEC Local government and human settlement passed a moratorium on the filling of vacancies	To await uplifting of moratorium	
					4	-	Not Achieved	0 human resources officials hired			Operational	Delays in recruitment processes due to understated HR unit	Fast-track the filling of HR positions	
CORP 7	Institutional Development & Municipal Transformation	Number of posts filled	60 posts filled by June 2016	85 posts filled	1	15 posts filled	Not Achieved	0 posts filled	Not Achieved	Operational	Operational	Requests from Departments were received but due to understated HR unit posts were unable to be filled	The posts to be filled after the HR unit capacity is increased	Appointment letters
					2	15 posts filled	Not Achieved	5 posts filled			Operational	None	None	
					3	15 posts filled	Achieved	25 posts filled			Operational	The positions were advertised due to understated HR unit - The MEC Local government and human settlement passed a moratorium on the filling of vacancies	To await uplifting of moratorium	
					4	15 posts filled	Not Achieved	0 posts filled			Operational	Moratorium placed on the filling of vacancies	Fast track the filling vacancies once the moratorium is lifted	
CORP 8	Institutional Development & Municipal Transformation	Turnaround time to fill vacant posts	Vacant posts filled within 4 months by June 2016	Vacant posts filled within 4 months	1	Vacant posts filled within 4 months	Not Achieved	0 posts filled	Not Achieved	Operational	Operational	Requests from Departments were received but due to understated HR unit posts were unable to be filled	The posts to be filled after the HR unit capacity is increased	HR Recruitment register
					2	Vacant posts filled within 4 months	Not Achieved	22 posts filled not within 4 Months			Operational	None	None	
					3	Vacant posts filled within 4 months	Not Achieved	0 posts filled			Operational	The positions were advertised due to understated HR unit - The MEC Local government and human settlement passed a moratorium on the filling of vacancies	To await uplifting of moratorium	
					4	Vacant posts filled within 4 months	Not Achieved	0 posts filled			Operational	Moratorium placed on the filling of vacancies	Fast track filling of vacancies once moratorium is lifted	

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Item Number	Key Performance Area	Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Quarterly Status (achieved/ not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reasons for Underperformance	Measures taken to improve performance	Portfolio of Evidence
CORP 9	2015/2016 Employment equity plan report submitted to Department of Labour	2014/15 Employment Equity plan report submitted by January 2016	2013/2014 Training report on the workplace skills plan	2014/15 Training plan	1	-	-	Not Yet Due	Achieved	Operational	Operational	None	None	Acknowledgement letter
					2	-	-	Not Yet Due			Operational	None	None	
					3	Employment equity plan report submitted to Department of Labour	Achieved	Employment equity plan report submitted to Department of Labour			Operational	None	None	
					4	-	-	Not Applicable			Operational	None	None	
CORP 10	2014/2015 Training Report on the workplace skills plan submitted to LGSETA	2013/2014 Training report on the workplace skills plan	2014/15 Training plan	2014/15 Training plan	1	-	-	Not Yet Due	Achieved	Operational	-	-	-	Acknowledgement letter
					2	-	-	Not Yet Due			-	-	-	
					3	-	-	Not Yet Due			-	-	-	
					4	Workplace skills plan Training report submitted	Achieved	Workplace skills plan Training report submitted			-	None	None	
CORP 11	2015/2016 workplace skills plan submitted to LGSETA	2014/15 Training plan	2014/15 Training plan	2014/15 Training plan	1	-	-	Not Yet Due	Achieved	Operational	-	-	-	Acknowledgement letter
					2	-	-	Not Yet Due			-	-	-	
					3	-	-	Not Yet Due			-	-	-	
					4	Workplace skills plan submitted	Achieved	Workplace skills plan submitted			Operational	None	None	
CORP 12	Number of officials capacitated in line with workplace skills plan	248 Officials capacitated by June 2016	176 Officials capacitated in line with workplace skills plan	176 Officials capacitated in line with workplace skills plan	1	64 officials capacitated in line with the WSP	Not Achieved	44 officials capacitated in line with the WSP	Achieved	Operational	Operational	Budget constraints	Seek intervention through budget adjustment	Certificates/ Attendance register
					2	60 officials capacitated in line with the WSP	Achieved	73 officials capacitated in line with the WSP			Operational	Non-adherence to WSP due to prioritised training	Adhere to WSP	
					3	50 officials capacitated in line with the WSP	Not Achieved	22 officials capacitated in line with the WSP			Operational	None	None	
					4	74 officials capacitated in line with the WSP	Achieved	180 officials capacitated in line with the WSP			Operational	None	None	

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Item Number	Key Performance Area	Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Quarterly Status (achieved/not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reasons for Underperformance	Measures taken to improve performance	Portfolio of Evidence
CORP 13	Number of councillors capacitated in line with workplace skills plan	48 Councillors capacitated by June 2016	89 Councillors capacitated in line with workplace skills plan		1	10 councillors capacitated in line with the WSP	Not Achieved	3 councillors capacitated in line with the WSP	Not Achieved	Operational	Operational	Late submission of training requests	Engage the office of the speaker on the problem	Certificates/Attendance register
					2	14 councillors capacitated in line with the WSP	Not Achieved	5 councillors capacitated in line with the WSP			Operational	Budget constraints	To review the plan during the mid year review	
					3	10 councillors capacitated in line with the WSP	Not Achieved	3 councillors capacitated in line with the WSP			Operational			
					4	14 councillors capacitated in line with the WSP	Not Achieved	5 councillors capacitated in line with the WSP			Operational	The capacitation could not be completed due to the Local Government Elections as Councillors were not available	To capacitate the Councillors in line with the WSP in the 2016/17 financial year	
CORP 14	Number of reports on the implementation of Occupational Health and Safety Act submitted to MANCO	4 reports on Occupational Health and Safety Act submitted to MANCO by June 2016	4 reports on the implementation of Occupational Health and Safety Act submitted to MANCO		1	1 report on Occupational Health and Safety Act	Not Achieved	0 report on Occupational Health and Safety Act	Achieved	Operational	Operational	The position for OHS Specialist was readvised due to a delay in recruitment	Fast track the appointment of the OHS Specialist	Reports
					2	1 report on Occupational Health and Safety Act	Not Achieved	0 report on Occupational Health and Safety Act			Operational	The position for OHS Specialist was readvised due to a delay in recruitment	Fast track the appointment of the OHS Specialist	
					3	1 report on Occupational Health and Safety Act	Not Achieved	0 report on Occupational Health and Safety Act			Operational	The positions were readvised due to incorrect advert - The MEC Local government and human settlement passed a moratorium on the filling of vacancies	To await uplifting of moratorium	
					4	1 report on Occupational Health and Safety Act	Achieved	4 Reports on Occupational Health and Safety Act			Operational	None	None	
CORP 15	Number of reports on the implementation of Compensation of Occupational Injuries and Diseases Act submitted to MANCO	4 reports on Compensation of Occupational Injuries and Diseases Act submitted to MANCO by June 2016	4 reports on the implementation of Compensation of Occupational Injuries and Diseases Act submitted to MANCO		1	1 report on Compensation of Occupational Injuries and Diseases Act	Not Achieved	0 report on Compensation of Occupational Injuries and Diseases Act	Achieved	Operational	Operational	The position for OHS Specialist was readvised due to a delay in recruitment	Fast track the appointment of the OHS Specialist	Reports
					2	1 report on Compensation of Occupational Injuries and Diseases Act	Not Achieved	0 report on Compensation of Occupational Injuries and Diseases Act			Operational	The position for OHS Specialist was readvised due to a delay in recruitment	Fast track the appointment of the OHS Specialist	
					3	1 report on Compensation of Occupational Injuries and Diseases Act	Not Achieved	0 report on Compensation of Occupational Injuries and Diseases Act			Operational	The positions were readvised due to incorrect advert - The MEC Local government and human settlement passed a moratorium on the filling of vacancies	To await uplifting of moratorium	
					4	1 report on Compensation of Occupational Injuries and Diseases Act	Achieved	4 reports on Compensation of Occupational Injuries and Diseases Act			Operational	None	None	

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Item Number	Key Performance Area	Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Quarterly Status (achieved/not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reasons for Underperformance	Measures taken to improve performance	Portfolio of Evidence
CORP 16	Institutional Development & Municipal Transformation	Number of Occupational Health and Safety forum meetings held	4 Occupational Health and Safety forum meetings held by June 2016	4 Occupational Health and Safety forum meetings held	1	1 Occupational Health and Safety forum meeting held	Not Achieved	0 Occupational Health and Safety forum meeting held	Not Achieved	Operational	Operational	The position for OHS Specialist was readvised due to a delay in recruitment	Fast track the appointment of the OHS Specialist	Minutes and Attendance Register
					2	1 Occupational Health and Safety forum meeting held	Not Achieved	0 Occupational Health and Safety forum meeting held			Operational	The position for OHS Specialist was readvised due to a delay in recruitment	Fast track the appointment of the OHS Specialist	
					3	1 Occupational Health and Safety forum meeting held	Not Achieved	0 Occupational Health and Safety forum meeting held			Operational	The positions were readvised due to incorrect advert - The MEC Local government and human settlement passed a moratorium on the filling of vacancies	To wait until the moratorium is lifted	
					4	1 Occupational Health and Safety forum meeting held - 30 June 2016	Achieved	1 Occupational Health and Safety forum meeting held - 30 June 2016			Operational	None	None	None
CORP 17	Institutional Development & Municipal Transformation	Number of Local Labour Forum meetings held	12 LLF meetings held by June 2016	6 LLF meetings held	1	3 LLF meetings held	Achieved	3 LLF meetings held	Not Achieved	Operational	Operational	None	None	Minutes and Attendance Register
					2	3 LLF meetings held	Not Achieved	1 LLF meeting held			Operational	Non availability of members	Outstanding meetings will be held in the third quarter	
					3	3 LLF meetings held	Not Achieved	0 LLF meetings held			Operational	Non availability of members	To fast track LLF meetings in the 4th quarter	
					4	3 LLF meetings held	Achieved	3 LLF meetings held			Operational	None	None	
CORP 18	Institutional Development & Municipal Transformation	Turnaround time in handling of grievances on submission	Grievances handled within 15 days of submission by June 2016	New	1	Grievances handled within 15 days of submission	Not Applicable	No new grievances received	Not Applicable	Operational	Operational	None	None	Grievances register
					2	Grievances handled within 15 days of submission	Not Applicable	No new grievances received			Operational	None	None	
					3	Grievances handled within 15 days of submission	Not Applicable	No new grievances received			Operational	None	None	
					4	Grievances handled within 15 days of submission	Not Applicable	No new grievances received			Operational	None	None	

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Item Number	Key Performance Area	Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Quarterly Status (achieved/not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reasons for Underperformance	Measures taken to improve performance	Portfolio of Evidence
CORP 19	Institutional Development & Municipal Transformation	Turnaround time in handling less complex disciplinary cases reported	Less complex disciplinary cases handled within 3 months by June 2016	New	1	Less complex disciplinary cases handled within 3 months	Not Applicable	No less complex disciplinary cases received	Not Applicable	Operational	Operational	None	None	Less complex disciplinary register
					2	Less complex disciplinary cases handled within 3 months	Not Applicable	No less complex disciplinary cases received			Operational	None	None	
					3	Less complex disciplinary cases handled within 3 months	Not Applicable	No less complex disciplinary cases received			Operational	None	None	
					4	Less complex disciplinary cases handled within 3 months	Not Applicable	No less complex disciplinary cases received			Operational	None	None	
CORP 20	Institutional Development & Municipal Transformation	Turnaround time in handling complex disciplinary cases reported	Complex disciplinary cases handled within 6 months by June 2016	New	1	Complex disciplinary cases handled within 6 months	Not Applicable	0 complex disciplinary cases received	Not Achieved	Operational	Operational	None	None	Complex disciplinary register
					2	Complex disciplinary cases handled within 6 months	Not Yet Due	1 complex disciplinary cases received in October			Operational	None	None	
					3	Complex disciplinary cases handled within 6 months	Not Achieved	disciplinary hearing received in Q2 not resolved - 1 new complex disciplinary case received in			Operational	Non-availability of external legal representation to the dispute	Postpone the hearings to the next available date	
					4	Complex disciplinary cases handled within 6 months	Not Achieved	1 complex disciplinary case resolved - 1 complex disciplinary case in progress			Operational	Non-availability of external legal representation to the dispute	Postpone the hearings to the next available date	

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Administration and Secretariat

Item Number	Key Performance Area	Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Quarterly Status (achieved/ not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reas on for Underperformance	Measures taken to improve performance	Portfolio of Evidence
CORP 21	Reviewed customer care service charter and approved by Council	Approved customer care service charter by March 2016	Customer care service charter	Customer care service charter	1	Draft customer care charter	Not Achieved	Reviewed draft charter not finalised	Not Achieved	Operational	Operational	Delays in the communication of service standards	Fasttrack the consultation process	Council resolution
					2	Public participation	Not Achieved	Customer care charter to be reviewed			Operational	Delays in receiving of inputs from Departments	To include the Service Charter in the workshop of HR policies	
					3	Approved customer care charter	Not Achieved	Reviewed customer care charter tabled in Portfolio			Operational	The items awaiting EXCO slling	The Department to request intervention from the Office of the Speaker and the Mayor to attend approval of the item	
					4	-	Not Achieved	Customer care charter not approved			Operational	Delays in receiving of inputs from Departments	More consultation with the departments	
CORP 22	Number of officials trained on the customer care system	7 officials trained on the Customer Care System by December 2015	New	New	1	Introduction of customer care system	Achieved	System introduced	Achieved	Operational	Operational	None	None	Certificates/Attendance register
					2	7 officials trained on the Customer Care System	Not Achieved	3 officials trained			Operational	Only 3 Officials trained because the customer care centre could not be left unattended	The remaining 4 Officials to be trained in the next quarter	
					3	-	Not Achieved	0 officials trained			Operational	Date secured however training not held due to community unrest	Training to be held in the 4th quarter	
					4	-	Achieved	4 officials trained			Operational	None	None	
CORP 23	Number of reports on the functionality of the Customer Care Centre	3 Reports on the functionality of the Customer Care Centre by June 2016	New	New	1	1 report on the functionality of the Customer Care Centre	-	Not Yet Due	Achieved	Operational	Operational	None	None	Reports
					2	1 report on the functionality of the Customer Care Centre	Achieved	1 report on the functionality of the Customer Care Centre			Operational	None	None	
					3	1 report on the functionality of the Customer Care Centre	Achieved	1 report on the functionality of the Customer Care Centre			Operational	None	None	
					4	1 report on the functionality of the Customer Care Centre	Achieved	1 report on the functionality of the Customer Care Centre			Operational	None	None	
								Customer Care Centre	Moses Kotane					

Item Number	Key Performance Area	Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Quarterly Status (achieved/not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reasons for Underperformance	Measures taken to improve performance	Portfolio of Evidence
CORP 24	Institutional Development & Municipal Transformation	Turnaround time in handling of customer complaints reported	Complaints handled within 48 hours of reporting by June 2016	New	1	Complaints handled within 48 hours of reporting	Not Achieved	Complaints not handled within 48 hours of reporting	Not Achieved	Operational	Operational	Delay in the handling of complaints by Department of ITS	Engage the Department of ITS to fast track the handling	Complaints register
					2	Complaints handled within 48 hours of reporting	Not Achieved	Complaints not handled within 48 hours of reporting			Operational	Delay in the handling of complaints by Department of ITS	Engage the Department of ITS to fast track the handling	
					3	Complaints handled within 48 hours of reporting	Not Achieved	Complaints not handled within 48 hours of reporting			Operational	Lack of proper planning - The KPI states handling of customer complaints instead of submitting to relevant departments	The KPI to be corrected in the next financial year	
					4	Complaints handled within 48 hours of reporting	Not Achieved	Complaints not handled within 48 hours of reporting			Operational	Target not yet achievable - The Department is only responsible for the receipt and submission to relevant Departments	Review the KPI during the mid year review	

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Item Number	Key Performance Area	Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Quarterly Status (achieved/not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reasons for Underperformance	Measures taken to improve performance	Portfolio of Evidence
CORP 25	Institutional Development & Municipal Transformation	Turnaround time for secretariat services support provided to Council and Council Committees within 10 days of request	Secretariat services provided to Council and council committees within 10 days of request by June 2016	Secretariat services support provided to Council and council committees within 10 days of request	1	Secretariat services provided to Council and council committees within 10 days of request	Not Achieved	Secretariat services not provided to Council and council committees within 10 days of request	Not Achieved	Operational	Operational	The Council and Executive Committee meetings have been held, the Portfolio Committees not all held	To engage Portfolio Heads on sitting of Portfolio Committees	Secretariat service register
					2	Secretariat services provided to Council and council committees within 10 days of request	Not Achieved	Secretariat services not provided to Council and council committees within 10 days of request						
					3	Secretariat services provided to Council and council committees within 10 days of request	Achieved	Secretariat services provided to Council and council committees within 10 days of request - 3 Council, 3 Executive committee, 3 MPAC, 1 IDP, 3 finance, 2 ITS, 1 Communication supported						
					4	Secretariat services provided to Council and council committees within 10 days of request	Achieved	Secretariat services provided to Council and council committees within 10 days of request						
CORP 26	Institutional Development & Municipal Transformation	Number of reports on the implementation of the Council resolution action plan	4 implementation reports of the Council resolution action plan by June 2016	4 Reports on the implementation of the Council resolution action plan	1	1 report on the implementation of Council resolution action plan	Achieved	1 report on the implementation of Council resolution action plan developed	Achieved	Operational	Operational	Delay in approval of the Council resolution action plan	Fast track the approval of the Council resolution action plan	Council resolution and Reports
					2	1 report on the implementation of Council resolution action plan	Achieved	1 report on the implementation of Council resolution action plan developed						
					3	1 report on the implementation of Council resolution action plan	Achieved	1 report on the implementation of Council resolution action plan developed						
					4	1 report on the implementation of Council resolution action plan	Achieved	1 report on the implementation of Council resolution action plan developed						

Item Number	Key Performance Area	Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Quarterly Status (achieved/not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reasons for Underperformance	Measures taken to improve performance	Portfolio of Evidence
CORP 27	Institutional Development & Municipal Transformation	Number of records management committee meetings held	4 records management committee meetings held by June 2016	4 Records management committee meetings held	1	1 records management committee meeting held	Not Achieved	0 records management committee meeting held	Not Achieved	Operational	Operational	Non availability of members	Meeting will be held in the second quarter	Minutes and Attendance register
					2	1 records management committee meeting held	Not Achieved	0 records management committee meeting held			Operational	Non availability of members	Meeting will be held in the third quarter	
					3	1 records management committee meeting held	Not Achieved	0 records management committee meeting held			Operational	Non availability of members	Meeting will be held in the fourth quarter	
					4	1 records management committee meeting held	Achieved	1 records management committee meeting held			Operational	Non availability of members	Appointment of new committee member who will be committed	
CORP 28	Institutional Development & Municipal Transformation	Presentation of file plan by Department of Sports, Arts and Culture	Presentation of file plan by September 2015	New	1	Presentation of file plan	Not Achieved	Presentation of file plan not done	Not Achieved	Operational	Operational	Delays in the confirmation of dates	Confirm the date with the province by the second quarter	Minutes and Attendance register
					2	-	Not Achieved	Presentation of file plan not done			Operational	Delays in the confirmation of dates	Confirm the date with the province by the third quarter	
					3	-	Not Achieved	Presentation of file plan not done			Operational	Lack of coordination	To write a letter to the Provincial archives to follow-up be made with the province	
					4	-	Not Achieved	Presentation of file plan not done			Operational	Delays in confirmation of dates	Follow-up be made with the province	
CORP 29	Institutional Development & Municipal Transformation	Number of reports on the implementation of the records management (file plan, records management control schedule, policy and procedure manual)	4 reports on the implementation of the records management by June 2016	4 reports on the implementation of the records management	1	1 report on the implementation of the records management	Not Achieved	0 report on the implementation of the records management	Achieved	Operational	Operational	File plan not handed over by Department of Sports, Arts and Culture	Ensure handing over of file plan by the end of the second quarter	Reports
					2	1 report on the implementation of the records management	Not Achieved	0 report on the implementation of the records management			Operational	File plan not handed over by Department of Sports, Arts and Culture	Ensure handing over of file plan by the end of the third quarter	
					3	1 report on the implementation of the records management	Not Achieved	0 report on the implementation of the records management			Operational	records management committee awaiting implementation workshop	Implementation workshop to be completed in the 4th quarter	
					4	1 report on the implementation of the records management	Achieved	4 report on the implementation of the records management			Operational	None	None	

Information and Communication Technology

Item Number	Key Performance Area	Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Status (achieved/not achieved)	Quarter Actual	Annual Budget	Quarterly Expenditure	Challenges/Reasons for Underperformance	Measures taken to improve performance	Portfolio of Evidence
CORP 30	Turnaround time for ICT equipment provided upon request	ICT equipment provided within 30 days of request	New	New	1	ICT equipment provided within 30 days of request	Achieved	11 ICT equipment provided within 30 days of request	Achieved	Operational	None	None	Equipment request register
					2	ICT equipment provided within 30 days of request	Achieved	9 ICT equipment provided within 30 days of request			None	None	
					3	ICT equipment provided within 30 days of request	Achieved	19 ICT equipment provided within 30 days of request			None	None	
					4	ICT equipment provided within 30 days of request	Achieved	12 ICT equipment provided within 30 days of request			None	None	
CORP 31	Turnaround time for updating the website upon request	Website updated within 2 days of request	New	New	1	Website updated within 2 days of request	Not Achieved	10 website updates made	Not Achieved	Operational	None	None	Website register
					2	Website updated within 2 days of request	Not Achieved	27 website updates made			Website database was corrupted and needed third party intervention	Fasttrack the website facilit and constant monitoring of the database	
					3	Website updated within 2 days of request	Not Achieved	17 website updates made			None	None	
					4	Website updated within 2 days of request	Not Achieved	6 website updates made			None	None	
CORP 32	Turnaround time for attending to helpdesk queries reported	Helpdesk queries attended within 2 days of request	New	New	1	Helpdesk queries attended within 2 days of request	Not Achieved	809 queries attended to not within 2 days of request	Not Achieved	Operational	Delay from the service provider to address the reported query	Review the SLA with regard to performance of service providers	Helpdesk register
					2	Helpdesk queries attended within 2 days of request	Not Achieved	434 queries attended to not within 2 days of request			None	None	
					3	Helpdesk queries attended within 2 days of request	Not Achieved	309 queries attended to within 2 days of request			Calls needed the assistance of the third party for resolution	Constant and daily monitoring of calls	
					4	Helpdesk queries attended within 2 days of request	Not Achieved	624 queries attended to within 2 days of request			Delay from the service provider to address the reported query	Review the SLA with regard to performance of service providers	

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Item Number	Key Performance Area	Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Quarterly Status (achieved/not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reasons for Underperformance	Measures taken to improve performance	Portfolio of Evidence
CORP 33	Institutional Development & Municipal Transformation	Number of reports on computers repaired and maintained	4 reports on computers repaired and maintained by June 2016	New	1	1 report on computers repaired and maintained	Achieved	1 report on computers repaired and maintained	Achieved	Operational	Operational	None	None	Reports
					2	1 report on computers repaired and maintained	Achieved	1 report on computers repaired and maintained			Operational	None	None	
					3	1 report on computers repaired and maintained	Achieved	1 report on computers repaired and maintained			Operational	None	None	
					4	1 report on computers repaired and maintained	Achieved	1 report on computers repaired and maintained			Operational	None	None	
CORP 34	Institutional Development & Municipal Transformation	Number of ICT project steering committee meetings held	4 project steering committee meetings held by June 2016	New	1	1 project steering committee meeting	Achieved	1 project steering committee meeting held in September 2015	Achieved	Operational	Operational	None	None	Minutes and Attendance Register
					2	1 project steering committee meeting	Achieved	1 project steering committee meeting held in November 2015			Operational	None	None	
					3	1 project steering committee meeting	Achieved	2 project steering committee meetings held on the 14th January and 30th March 2016			Operational	None	None	
					4	1 project steering committee meeting	Achieved	2 project steering committee meetings held on the 21st April and 30th June 2016			Operational	None	None	
CORP 35	Institutional Development & Municipal Transformation	Number of ICT steering committee meetings held	4 ICT steering committee meetings held by June 2016	New	1	1 ICT steering committee meeting held	Achieved	1 ICT steering committee meeting held - July 2016	Not Achieved	Operational	Operational	None	None	Minutes and Attendance Register
					2	1 ICT steering committee meeting held	Not Achieved	No meeting held			Operational	Unavailability of the members	2 meetings to be held in the 3rd quarter	
					3	1 ICT steering committee meeting held	Not Achieved	No meeting held			Operational	Unavailability of the members	3 meetings to be held in the 4th quarter	
					4	1 ICT steering committee meeting held	Not Achieved	No meeting held			Operational	Unavailability of the members	Seek intervention through the acting HOD	

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Item Number	Key Performance Indicator	Annual Target	Baseline	Quarter	Quarterly Target	Status (achieved/ not achieved)	Legal Services					Portfolio of Evidence
							Quarter Actual	Annual Budget	Quarterly Expenditure	Challenges/Reasons for Underperformance	Measures taken to improve performance	
CORP 36	Institutional Development & Municipal Transformation	Legal opinion provided within 14 days of request by June 2016	By-laws developed within 14 days	1	Legal opinion provided within 14 days of request	Not Achieved	SPLUMA developed awaiting EXCO and Council	Operational	Operational	None	None	Legal opinion register
				2	Legal opinion provided within 14 days of request	Not Achieved	SPLUMA developed awaiting EXCO and Council		Operational	None	None	
				3	Legal opinion provided within 14 days of request	Achieved	2 Legal opinions attended to within 14 days - Unimplemented projects, Retirement age in local government		Operational	None	None	
				4	Legal opinion provided within 14 days of request	Achieved	1 Legal opinion attended to within 14 days - SPLUMA By-Law promulgated in NW Provincial Gazette No 7610 on 12 February 2016		Operational	None	None	

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Item Number	Key Performance Indicator	Annual Target	Baseline	Quarter	Quarterly Target	Status (achieved/ not achieved)	Quarter Actual	Annual Budget	Quarterly Expenditure	Challenges/Risks on for Underperformance	Measures taken to improve performance	Portfolio of Evidence
CORP 37	Turnaround time for development of service level agreements upon request	Service level agreement developed within 14 days of request by June 2016	Service level agreement developed within 14 days	1	Service level agreement developed within 14 days of request	Achieved	9 SLAs developed - New Mogwase landfill site; MOA Topo Class; Segale Driving School; Extension of BSI contract; Sale Agreement; Holy Life Ministries; Itageng; Call centre operations; Lease BTBM Traditional Authority; ICT Interns contract; Twinning agreement - Horstel Municipality Germany	Operational	Operational	None	None	Service level agreements register
				2	Service level agreement developed within 14 days of request		8 SLAs completed within 14 days of request; Waste Removal Contract; Addendum: White Leopard Security; Addendum: Tsedza Protective Services; Refund Agreement MKLM/Ms. Zanele; Agreement Big Time / AirGIS; Lease: CO-OP Reclaiming; SLA Ducharme; Employment Contract Ms. Zanele.					
				3	Service level agreement developed within 14 days of request	Achieved	5 within 14 days - SLAs developed - GMK lease; RPM Mantseke high mast; Deed of sale Unit 5; MKLM/MKDCDC MoU; Addendum; SLA Modhope Properties - 2 not achieved within 14 days - Addendum Tsedza security and					
				4	Service level agreement developed within 14 days of request	Achieved	15 SLAs completed within 14 days of request: 1) Nkonki Consultants; 2) PayDay Systems; 3) SMEC; 4) MISA; 5) 2x ICT Interns contracts; 6) Lease Estate services; 8) GMK; 7) Gabonewe Cession MKLM Annual Report 9) MOA - MKDCDC; 10) SLA Dishoane; 11) Fourie contract 12) Lease Mogwase Waste Co-op; 13) Deed of Sale Maema; 14) Lease Dept of Social Services.					

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Item Number	Key Performance Area	Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Quarterly Status (achieved/ not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reasons for Underperformance	Measures taken to improve performance	Portfolio of Evidence
CORP 38	Institutional Development & Municipal Transformation	Turnaround time for providing legal opinion on less complex matters upon request	Legal opinion provided within 14 days of request by June 2016	Legal opinion developed within 14 days	1	Legal opinion provided within 14 days of request	-	No requests received	Achieved	Operational	Operational	None	None	Complex matters register
					2	Legal opinion provided within 14 days of request	-	No requests received			Operational	None	None	
					3	Legal opinion provided within 14 days of request	Achieved	1 Legal opinions attended to within 14 days - Retirement age in local government			Operational	None	None	
					4	Legal opinion provided within 14 days of request	-	No requests received			Operational	None	None	

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Item Number	Key Performance Area	Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Quarterly Status (achieved/ not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reasons for Underperformance	Measures taken to improve performance	Portfolio of Evidence
CORP 39	Institutional Development & Municipal Transformation	Turnaround time for providing legal opinion on complex matters upon request	Legal opinion provided within 14 days of request by June 2016	Legal opinion developed within 14 days	1	Legal opinion provided within 14 days of request	Achieved	8 legal opinions completed - Allocation of land ERF 702 Unit 1; Subdivision ERF 554 Unit 1; Extension of line extension 2 Moruleng; Extension of line extension 4 Moruleng; Allocation of land ERF 932 Unit 3; Big Time Addendum; Rezoning ERF 761 Unit 2; Allocation of land ERF 1494 Unit 4	Achieved	Operational	Operational	None	None	Less-complex matters register
					2	Legal opinion provided within 14 days of request	Achieved	5 Opinions completed within 14 days: Portion 8 of Farm Klipfontein 601Q; Site for selling food, Unit 4; Site for poultry business; Erf 700 for business purposes; Unit 4 Site for car wash and salon						
					3	Legal opinion provided within 14 days of request	Achieved	1 Legal opinions attended to within 14 days - Unimplemented projects						
					4	Legal opinion provided within 14 days of request	Achieved	1 Legal opinion attended to within 14 days - DEMAWUSA						
CORP 40		Updated 2015/2016 valuation roll approved by Council	Approved valuation roll by June 2016	Updated 2014/2015 Valuation roll approved by Council	1	-	-	Not Yet Due	Achieved	Operational	Operational	None	None	Council resolution and agenda notice
					2	-	-	Not Yet Due						
					3	-	-	Not Yet Due						
					4	Approved updated valuation roll	Achieved	General Valuation Roll approved by Council on 31 May 2016 - Resolution No. 12207/2016						

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Performance Management System														
To implement an efficient and effective integrated performance management systems which aligned to IDP and budget														
Strategic Objective	Key Performance Area	Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Status (achieved/ not achieved)	Quarter Actual	Annual Status	Annual Budget	Quarterly Expenditure	Challenges/Reason for Underperformance	Measures taken to improve performance	Portfolio of Evidence
Institutional development and transformation	Key Performance Area	Reviewed 2016/2017 institutional performance management framework and approved by Council	Approved performance management framework by May 2016	2014/2015 Performance Management framework	1	-	Not Yet Due	Not Yet Due	Achieved	Operational	Operational	None	None	Council resolution
					2	-	Not Yet Due	Not Yet Due			Operational	None	None	
					3	-	Not Yet Due	Not Yet Due			Operational	None	None	
					4	Approved performance management framework	Achieved	Performance management framework approved			Operational	None	None	
	PMS 2	Developed 2014-2015 annual performance report	Annual Performance Report generated by August 2015	2013/2014 Annual Municipal Performance report	1	Annual performance report generated	Achieved	Annual performance report generated	Achieved	Operational	Operational	None	None	Annual municipal performance report
					2	-	Not Applicable	Not Applicable			Operational	None	None	
					3	-	Not Applicable	Not Applicable			Operational	None	None	
					4	-	Not Applicable	Not Applicable			Operational	None	None	
	PMS 3	Number of developed SDBIP quarterly performance reports and adopted by Council	3 adopted SDBIP quarterly performance reports by June 2016	2014/2015 performance reports	1	-	Not Yet Due	Not Yet Due	Achieved	Operational	Operational	None	None	Quarterly performance reports
					2	1 SDBIP quarterly performance report	Achieved	1 SDBIP quarterly performance report developed			Operational	None	None	
					3	1 SDBIP quarterly performance report	Achieved	1 SDBIP quarterly performance report developed			Operational	None	None	
					4	1 SDBIP quarterly performance report	Achieved	1 SDBIP quarterly performance report developed			Operational	None	None	
	PMS 4	Number of institutional performance reviews conducted	3 institutional performance reviews conducted by June 2016	2014/2015 individual performance reviews	1	-	Not Yet Due	Not Yet Due	Achieved	Operational	Operational	None	None	Reports and attendance register
					2	1 institutional performance review conducted	Achieved	1 institutional performance review conducted			Operational	None	None	
					3	1 institutional performance review conducted	Achieved	1 institutional performance review conducted			Operational	None	None	
					4	1 institutional performance review conducted	Achieved	1 institutional performance review conducted			Operational	None	None	

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Item Number	Key Performance Area	Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Status (achieved/not achieved)	Quarter Actual	Annual Status	Annual Budget	Quarterly Expenditure	Challenges/Reason for Underperformance	Measures taken to improve performance	Portfolio of Evidence
PMS 5	Institutional development and transformation	2014/2015 Annual report tabled to Council	2014/2015 annual report submitted to Council by January 2016	2013/2014 Annual report	1	-	Not Yet Due	Not Yet Due	Achieved	Operational	Operational	None	None	Council resolution
					2	-	Not Yet Due	Not Yet Due			Operational	None	None	
					3	1 Annual report	Achieved	1 Annual report submitted to Council			Operational	None	None	
					4	-	Not Applicable	Not Applicable			Operational	None	None	
PMS 6		Developed municipal council oversight report and submitted to MEC for Local Government	Municipal council oversight report submitted to MEC for Local Government by March 2016	2013/2014 Oversight Report	1	-	Not Yet Due	Not Yet Due	Achieved	Operational	Operational	None	None	Acknowledgement letter
					2	-	Not Yet Due	Not Yet Due			Operational	None	None	
					3	1 Municipal council oversight report submitted	Achieved	1 Municipal council oversight report submitted			Operational	None	None	
					4	-	Not Applicable	Not Applicable			Operational	None	None	
PMS 7		Number of signed performance agreements by Municipal Manager and Section 56 employees	6 signed performance agreements by July 2015	2014/2015 Performance Agreements	1	6 Signed performance agreements	Achieved	6 Signed performance agreements	Achieved	Operational	Operational	None	None	Performance agreements
					2	-	Not Applicable	Not Applicable			Operational	None	None	
					3	-	Not Applicable	Not Applicable			Operational	None	None	
					4	-	Not Applicable	Not Applicable			Operational	None	None	
PMS 8		Developed 2016/2017 SDBIP aligned to IDPs and budget and approved by Council	Approved 2016/2017 SDBIP by June 2016	2015-2016 SDBIP	1	-	Not Yet Due	Not Yet Due	Achieved	Operational	Operational	None	None	Council resolution
					2	-	Not Yet Due	Not Yet Due			Operational	None	None	
					3	-	Not Yet Due	Not Yet Due			Operational	None	None	
					4	Approved 2016/2017 SDBIP	Achieved	2016/2017 SDBIP Approved			Operational	None	None	

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Communication and IGR

To create an enabling environment for active participation and an administrative culture characterised by accountability, transparency and efficiency																
Strategic Objective	Key Performance Area	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Status (achieved/ not achieved)	Quarter Actual	Annual Status (achieved/ not achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reasons for Underperformance	Measures taken to improve performance	Portfolio of Evidence	
C11	Key Performance Area	Reviewed communication strategy and approved by Council		Approved communication strategy by September 2015	Approved Communication strategy on strategy	1	Review and approval of the strategy	Not Achieved	Approved communication strategy	Not Achieved	Operational	Operational	None	None	Council resolution and approved communication strategy on strategy	
						2	-	Not Achieved	Not Applicable			Operational	None	None		
						3	-	Not Achieved	Not Applicable			Operational	None	None		
						4	-	Not Achieved					Draft communication strategy but not yet approved	Improve planning		
C12	Good governance and public participation	Number of reports on the implementation of communication strategy		4 reports on the implementation of the communication strategy by June 2016	4 Reports	1	1 Report on the implementation of the communication strategy	Achieved	1 Report on the implementation of the communication strategy	Achieved	Operational	Operational	None	None	Report	
						2	1 Report on the implementation of the communication strategy	Achieved	1 Report on the implementation of the communication strategy			Operational	None	None		
						3	1 Report on the implementation of the communication strategy	Achieved	1 Report on the implementation of the communication strategy			Operational	None	None		
						4	1 Report on the implementation of the communication strategy	Achieved	1 Report on the implementation of the communication strategy			Operational	None	None		

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Item Number	Key Performance Area	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Status (achieved/not achieved)	Quarter Actual	Annual Status (achieved/not achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reasons for Underperformance	Measures taken to improve performance	Portfolio of Evidence
C13	Good governance and public participation	Internal communication forum established		Internal communication forum established by September 2015	New	1	Establish internal communication forum with terms of reference	Achieved	Establish ICF with terms reference	Achieved	Operational	Operational	None	None	Appointment letter and terms of reference
						2	-	Not Applicable	Not Applicable			Operational	None	None	
						3	-	Not Applicable	Not Applicable			Operational	Lack of proper planning	To request the Acting Municipal Manager to approve Terms of reference and appointment letters	
						4	-	Achieved	Established ICF			Operational	None	None	
C14	Good governance and public participation	Number of internal communication forum meetings held		3 internal communication forum meetings held by June 2016	New	1	-	Not Yet Due	Not Yet Due	Not Achieved	Operational	Operational	None	None	Minutes and attendance register
						2	1 Meeting	Not Achieved	0 Meeting held			Operational	None	None	
						3	1 Meeting	Not Achieved	0 Meeting held			Operational	Lack of proper planning - meetings could not be held awaiting approval of the Terms of Reference	To request the Acting Municipal Manager to approve Terms of reference and appointment letters	
						4	1 Meeting	Not Achieved				Operational			
C15	Good governance and public participation	Number of external communication stakeholder forum meetings held		4 external communication forum meetings by June 2016	2014-2015 external communication on stakeholder forum meetings	1	1 Meeting	Achieved	1 Meeting held on 28 September 2015	Not Achieved	Operational	Operational	None	None	Minutes and attendance register
						2	1 Meeting	Not Achieved	0 Meeting held			Operational	None	None	
						3	1 Meeting	Achieved	1 Meeting held on 26 January 2016			Operational	None	None	
						4	1 Meeting	Achieved	1 Meeting held on 12 June 2016			Operational	None	None	

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Item Number	Key Performance Area	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Status (achieved/not achieved)	Quarter Actual	Annual Status (achieved/not achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reasons for Underperformance	Measures taken to improve performance	Portfolio of Evidence
C16	Developed corporate calendar and approved by Council			Approved Corporate calendar by September 2015	2015-2016 Corporate Calendar	1	Corporate calendar developed	Achieved	Corporate calendar developed and approved	Achieved	Operational	Operational	None	None	Council resolution
						2	-	Not Applicable	Not Applicable	Not Applicable	Operational	Operational	None	None	
						3	-	Not Applicable	Not Applicable	Not Applicable	Operational	Operational	None	None	
						4	-	Not Applicable	Not Applicable	Not Applicable	Operational	Operational	None	None	
C17	Number of reports on the implementation corporate calendar			4 reports on the implementation of the corporate calendar by June 2016		1	1 Report	Not Achieved	1 Report	Not Achieved	Operational	Operational	None	None	Report
						2	1 Report	Achieved	1 Report held on 26/01/2016	Achieved	Operational	Operational	None	None	
						3	1 Report	Achieved		Achieved	Operational	Operational	None	None	
						4	1 Report	Achieved	1 Report	Achieved	Operational	Operational	None	None	
C18	Number of newsletters published			4 newsletters published by June 2015	4 Newsletters	1	1 Newsletter	Achieved	1 Newsletter published	Achieved	Operational	Operational	None	None	Newsletter
						2	1 Newsletter	Not Achieved	0 Newsletter published	Not Achieved	Operational	Operational	Lack of proper planning - appointment of service provider was not taken into consideration	Newsletter to be produced by end June 2016	
						3	1 Newsletter	Not Achieved	0 Newsletter published	Not Achieved	Operational	Operational	None	Newsletter to be produced by end June 2016	
						4	1 Newsletter	Achieved	1 Newsletter published	Achieved	Operational	Operational	None	Newsletter to be produced by end June 2016	
C19	Number of events management plan developed			4 events management plans developed by June 2016 list them	New	1	1 events management plan	Not Achieved	0 Events management plan developed	Not Achieved	Operational	Operational	Awaiting approval of communication policy by Council	Approval of communication policy	Event management plan
						2	1 events management plan	Not Achieved	0 Events management plan developed	Not Achieved	Operational	Operational	Departments are non-responsive	To be fully executed through Internal Comms Forum	
						3	1 events management plan	Not Achieved	0 Events management plan developed	Not Achieved	Operational	Operational	Lack of proper planning	Improve planning	
						4	1 events management plan	Not Achieved	0 Events management plan developed	Not Achieved	Operational	Operational	None	None	
C110	Developed integrated stakeholder relations plan			Integrated stakeholder relations plan developed by December 2015	New	1	-	Not Yet Due	Integrated stakeholder relations plan developed by December 2015	Not Yet Due	Operational	Operational	None	None	Draft integrated development plan
						2	Developed stakeholder relations plan	Not Achieved		Not Achieved	Operational	Operational	None	None	
						3	-	Not Achieved	Not Applicable	Not Achieved	Operational	Operational	Lack of proper planning - Underestimated the nature of work to develop the plan	Outsource development of stakeholder engagement plan by end of May 2016	
						4	-	Not Achieved		Not Achieved	Operational	Operational			

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Item Number	Key Performance Area	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Status (achieved/not achieved)	Quarter Actual	Annual Status (achieved/not achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reasons for Underperformance	Measures taken to improve performance	Portfolio of Evidence
C11	Good governance and public participation	Number of reports on the implementation of integrated stakeholder relations plan		3 integrated stakeholder relations plan reports by June 2016	New	1	-	Not Yet Due	Not Yet Due	Not Achieved	Operational	Operational	None	None	Report
						2	1 Report	Not Achieved	0 Report			Operational	None	None	
						3	1 Report	Not Achieved	0 Report			Operational	Lack of proper planning - Underestimated the nature of work to develop the plan	Outsource development of stakeholder engagement plan by end of May 2016	
						4	1 Report	Not Achieved	0 Report						
C12		Developed communications policy and approved by Council		Approved communications policy by December 2015	New	1	Developed communication policy	Achieved	Communication policy developed	Achieved	Operational	Operational	None	None	Communication on policy
						2	Public participation and approval	Not Achieved				Operational	None	None	
						3	-	Achieved	Council adopted the policy on 26 January 2016			Operational	Council resolution not attached	None	
						4	-								
C13		Number of reports on the implementation of the communications policy		2 implementation reports on the communications policy by June 2016	New	1	-	Not Yet Due	Not Yet Due	Achieved	Operational	Operational	None	None	Report
						2	-	Not Yet Due	Not Yet Due			Operational	None	None	
						3	1 Report	Achieved	1 Report			Operational	Report not submitted	None	
						4	1 Report	Achieved	1 Report			Operational	Report not submitted	None	

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Integrated Development Plan															
To create an enabling environment for active participation and an administrative culture characterised by accountability, transparency and efficiency															
Strategic Objective	Item Number	Key Performance Area	Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Quarterly Status (achieved/ not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reas on for Underperformance	Measures taken to improve performance	Portfolio of Evidence
Good governance and public participation	IDP1	Key Performance Area	Reviewed IDP and approved by Council	Approved 2016-2017 IDP by May 2016	2015-2016 Reviewed IDP	1	-	Not Yet Due	Not Yet Due	Achieved	Operational	Operational	None	None	Council resolution and reviewed IDP
						2	-	Not Yet Due	Not Yet Due			Operational	None	None	
						3	-	Not Yet Due	Not Yet Due			Operational	None	None	
						4	Approved 2016-2017	Achieved	Reviewed IDP 2016/2017 adopted on the 31st May 2016			Operational	None	None	
	IDP2		Developed IDP/PMS/Budget process plan and approved by Council	Approved process plan by August 2015	2014-2015 Process Plan	1	Approved process plan	Achieved	Process plan adopted by council on the 31 August 2015	Achieved	Operational	Operational	None	None	Council resolution
						2	-	Not Applicable	Not Applicable			Operational	None	None	
						3	-	Not Applicable	Not Applicable			Operational	None	None	
						4	-	Not Applicable	Not Applicable			Operational	None	None	
	IDP3		Number of IDP representative forum convened.	4 IDP representative forums convened by June 2016	2014-2015 IDP representative forums	1	1 IDP representative forum held	Achieved	1 IDP representative forum held on the 11th September 2015	Achieved	Operational	Operational	None	None	Minutes and attendance register
						2	1 IDP representative forum held	Not Achieved	0 IDP representative forum held			Operational	Forum not held due IDP public participation not completed in other clusters	Special consultation will be conducted for finalisation and consolidate the report and the forum will be planned for 12 February 2016	
						3	1 IDP representative forum held	Achieved	1 IDP representative forum held on the 18th March 2016			Operational	None	None	
						4	1 IDP representative forum held	Not Achieved	0 IDP representative forum held			R 17 200,00	There was no attendance in the 2nd quarter internally and disturbances by business forum for the 4th quarter	Compliance	

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Item Number	Key Performance Area	Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Quarterly Status (achieved/not achieved)	Quarter Actual	Annual Status (Achieved/Not Achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reasons for Underperformance	Measures taken to improve performance	Portfolio of Evidence
IDP4	Good governance and public participation	Number of IDP steering committees held	4 IDP Steering committee meetings held by June 2016	4 IDP Steering committee meetings	1	1 IDP steering committee held	Achieved	1 IDP steering committee held on the 24th July 2015	Not Achieved	Operational	Operational	None	None	Minutes and attendance register
					2	1 IDP steering committee held	Not Achieved	0 IDP steering committee held			Operational	Steering committee not held due to IDP Public Participation not completed in other clusters	The Steering Committee will be planned for the 4th February 2016	
					3	1 IDP steering committee held	Achieved	1 IDP steering committee held on the 14th March 2016			Operational	None	None	
					4	1 IDP steering committee held	Not Achieved	0 IDP steering committee held			Operational	There was no attendance in the 2nd quarter internally and disturbances by business forum for the 4th quarter	Compliance	
IDP5	Good governance and public participation	Number of IDP public participation conducted	2 IDP public participation sessions conducted by June 2016	4 IDP public participation sessions	1	-	-	Not Yet Due	Achieved	Operational	Operational	None	None	Minutes and attendance register
					2	1 IDP public participation session	Achieved	1st session of Public Participation held on 16 September to 09 October 2015			Operational	None	None	
					3	-	-	Not Yet Due			Operational	None	None	
					4	1 IDP public participation session	Achieved	2nd session of Public Participation held on 01 to 19 April 2016			Operational	None	None	

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Internal Audit											
To create an enabling environment for active participation and an administrative culture characterised by accountability, transparency and efficiency											
Strategic Object	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Quarterly Status (achieved/ not achieved)	Quarter Actual	Annual Status (achieved/ not achieved)	Annual Budget	Quarterly Expenditure
Key Performance Indicator	Reviewed internal audit charter for 2015/2016 and approved by Audit Committee		Approved internal audit charter by July 2015	2014-2015 Internal Audit Charter	1	Approved internal audit charter	Not Achieved	Internal Audit Charter reviewed	Achieved	Operational	Operational
					2	-	Not Achieved	The charter was reviewed awaiting approval			
					3	-	Achieved	IA Charter reviewed and approved			
					4	-	Not Applicable	Not Applicable			
Good governance and public participation	Reviewed 2015-2016 risk based internal audit plan and approved by Audit Committee		Approved risk based internal audit plan approved by July 2015	2014-2015 Internal Audit Risk Based Plan	1	Approved risk based internal audit plan	Not Achieved	Risk based audit plan developed	Achieved	Operational	Operational
					2	-	Not Achieved	Risk based audit plan was developed awaiting approval			
					3	-	Achieved	Risk based audit plan developed & approved			
					4	-	Not Applicable	Not Applicable			
Report on Annual Performance Management Systems audit conducted by June 2016	Report on Annual Performance Management Systems audit conducted by June 2016		Report on Annual Performance Management Systems audit conducted by June 2016	4 reports on performance management system audits	1	Audit of Performance Information done	Not Achieved	0 Report			
					2	-	Not Applicable	Not Applicable			
					3	-	Not Applicable	Not Applicable			
					4	-	Not Achieved	0 Report	Not Achieved	Operational	Operational
Number of reports on Performance Management Systems audits conducted	Number of reports on Performance Management Systems audits conducted		3 reports on Performance Management Systems audits conducted by June 2016	4 reports on performance management system audits	1	-	Not Yet Due	Not Yet Due			
					2	1 Report	Achieved	1st quarter AOPI audit completed			
					3	1 Report	Achieved	2nd quarter AOPI audit completed	Achieved	Operational	Operational
					4	1 Report	Achieved	3rd quarter AOPI audit completed			

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Item Number	Key Performance Area	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Quarterly Status (achieved/ not achieved)	Quarter Actual	Annual Status (achieved/ not achieved)	Annual Budget	Quarterly Expenditure	Challenge/Reason for Underperformance	Measures taken to improve performance	Portfolio of Evidence
IA5	Good governance and public participation	Number of reports on compliance audits conducted		3 reports on compliance audits conducted by June 2016 - Water and Sanitation, Town Planning, Municipal Infrastructure Grant	4 reports on compliance audits	1	1 Report	Not Achieved	Report on Water and Sanitation compliance to legislation completed	Not Achieved	Operational	Operational	The draft audit is awaiting discussion with the Unit to get management comments (internal audit must take into consideration the auditees commitments)	The meeting to finalise the reports is scheduled for the 6th November 2015	Reports
						2	1 Report	Not Achieved	Municipal Infrastructure Grant in process				Lack of proper planning	Improve planning and adhere to the IA plan	
						3	1 Report	Not Achieved	0 Report				Shortage of staff	The Unit to work overtime to cover the time needed to complete the reports	
						4	-	Not Achieved	0 Report				Lack of proper planning	Improve planning and adhere to the internal audit plan	
IA6	Good governance and public participation	Number of risk based audits conducted		4 audits conducted by June 2016 - Fleet Management, Telephone and Cellphone, SCM and Expenditure Management, Town Planning	5 risk based audits	1	1 Report	Not Achieved	Report on fleet management audit report	Not Achieved	Operational	Operational	The draft audit is awaiting discussion with the Unit to get management comments (internal audit must take into consideration the auditees commitments)	The meeting to finalise the reports is scheduled for the 30th October 2015	Reports
						2	1 Report	Not Achieved	Town planning				Lack of proper planning	Improve planning and adhere to the IA plan	
						3	1 Report	Not Achieved	Overtime management				Shortage of staff	The Unit to work overtime to cover the time needed to complete the reports	
						4	1 Report	Achieved	SCM, Expenditure Management & Inventory Management completed						
IA7	Good governance and public participation	Number of follow up reports on the issues raised by the Auditor General		4 compliance reports by June 2016	2014-2015 Auditor General report	1	1 Report	Achieved	Follow-up report on AG's issues raised done	Achieved	Operational	Operational	None	None	Reports
						2	1 Report	Achieved	Follow-up report on AG's issues raised done				None	None	
						3	1 Report	Achieved	Follow-up report on AG's issues raised done				None	None	
						4	1 Report	Achieved	Follow-up report on AG's issues raised done						

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Item Number	Key Performance Area	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Baseline	Quarter Number	Quarterly Target	Quarterly Status (achieved/ not achieved)	Quarter Actual	Annual Status (achieved/ not achieved)	Annual Budget	Quarterly Expenditure	Challenges/Reason for Underperformance	Measures taken to improve performance	Portfolio of Evidence
IA8	Good governance and public participation	Number of follow up reports on audits conducted		3 follow up reports by June 2016 - Revenue Management Overtime, EPWP	2014-2015 Auditor General report	1	-	Not Yet Due	Not Yet Due	Not Achieved	Operational	Operational	Project not yet started due to not being able to finalise the appointment with the revenue management unit	To request the appointment in writing	Reports
						2	1 Report	Not Achieved	Revenue management follow up not done				Project not yet started due to not being able to finalise the appointment with the revenue management unit	To request the appointment in writing	
						3	1 Report	Not Achieved	Leave Management				None	None	
						4	1 Report	Achieved	EPWP report completed				None	None	
IA9	Good governance and public participation	Number of Audit Committee meetings held		4 meetings held by June 2016	3 meetings	1	1 Meeting	Not Achieved	1st meeting is scheduled for the 13th November 2015	Not Achieved	Operational	Operational	Lack of proper coordination in finalising meeting dates	Postponed to the 25th January 2016	Reports
						2	1 Meeting	Not Achieved	0 Audit committee meeting				None	None	
						3	1 Meeting	Achieved	1 Audit committee meeting held				None	None	
						4	1 Meeting	Achieved	1 Audit committee meeting held				None	None	
IA10	Good governance and public participation	Number of Audit Committee reports submitted to Council		2 Audit Committee reports submitted by June 2016	New	1	1 Meeting	Not Achieved	1st meeting on the 29th January 2016	Not Achieved	Operational	Operational	None	None	Reports
						2	-	Not Yet Due	Not Yet Due				Lack of proper coordination	The Audit committee report to be submitted in the next Council sitting	
						3	1 Meeting	Not Achieved	0 Audit committee report submitted				None	None	
						4	-	Achieved	1 Audit committee report submitted				None	None	

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INTRODUCTION

Turnover experienced in scarce skills areas such as town planning due to the municipality's inability to compete with alternative opportunities in terms of benefits. The matter will be addressed through the benchmarking exercise.

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Description	Employees				2015/16			
	2014/15		Approved Posts		Employees		Vacancies	
	No.	Employees	No.	Posts	No.	Employees	No.	%
Water	87		173		93		80	46.2%
Waste Water (Sanitation)	18		25		20		2	8%
Electricity	6		9		5		4	44%
Waste Management	20		2		2		21	91%
Housing	7		15		7		8	53%
Roads (Storm water Drainage)	35		64		35		29	45.3%
Transport	26		34		26		8	23.5%
Planning	3		7		3		4	57.1%
PMU	6		6		6		0	0%
Planning (Strategic & Regulatory)	2		5		3		2	40%
Local Economic Development	8		11		8		2	18.1%
Community & Social Services	74		104		79		25	24%
Budget and Treasury	86		180		86		94	52.2%

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Security and Safety	11	34	11	34	71%
Sport and Recreation	73	7	73	5	71.4%
Corporate Policy Offices and Other	85	141	92	37	26%
Totals	403	821	549	441	53.7%

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Vacancy Rate: 2015/16			
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	1	100%
CFO	1	0	0%
Other S57 Managers (excluding Finance Posts)	4	0	0%
Other S57 Managers (Finance posts)	0	0	0%
Police officers	0	-	-
Fire fighters	0	-	-
Highly skilled supervision: levels 19-25 (excluding Finance posts)	18	-	-
Highly skilled supervision: levels 19-25 (Finance posts)	3	-	-
Total	27	1	4%

Turn-over Rate		
Details	Total Appointments as of beginning of Financial Year	Turn-over Rate*
	No.	No.
2012/13	24	16
2013/14	21	17
2014/15	62	16
2015/16	58	19

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COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

MSA 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair, efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998.

The municipality had00 an Employment Equity Plan which seeks to address the above.

The only underachievement relates to the employment of persons with disabilities.

4.2 POLICIES

4.2 POLICIES				
HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1.	Leave	-	80	Policy reviewed are still in a draft and not yet approved by Council
2.	Occupational Health and Safety	100	80	Policy reviewed are still in a draft and not yet approved by Council
3.	Recruitment, Selection and Appointments		80	Policy reviewed are still in a draft and not yet approved by Council
4.	Policy on imprisoned employees		80	Policy reviewed are still in a draft and not yet approved by Council
5.	Travelling & Subsistence policy		80	Policy reviewed are still in a draft and not yet approved by Council
6.	Bursary policy		80	Policy reviewed are still in a draft and not yet approved by Council
7.	Policy on attendance		80	Policy reviewed are still in a draft and not yet approved by Council
8.	Legal aid policy		80	Policy reviewed are still in a draft and not yet approved by Council

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COMMENT ON WORKFORCE POLICY DEVELOPMENT:

The municipality has a key performance indicator to develop at least one policy in a quarter. Four policies were developed and are still to be approved in the 2015/16.

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty						
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost	R'000
	Days	No.	%	Days		
Required basic medical attention only	0	0	0.05%	0		
Temporary total disablement	0	0	0%	0		-
Permanent disablement	0	0	0%	0		-
Fatal	0	0	0%	0		-
Total	0	0	0.05%	0		

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Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave Days	Proportion of sick leave without medical certification %	Employees using sick leave No.	Total employees in post*	*Average sick leave per Employees Days	Estimated cost R' 000
Lower skilled (Levels 1-11)	1065	4	112	300	9.5	466
Skilled (Levels 12-14)	203	1	23	57	9	160
Highly skilled production (levels 14-16)	360	3	26	59	14	345
Highly skilled supervision (levels 17-18)	73	4	18	35	4	118
HOU (Levels 19-25)	42	0	6	22	7	131
Senior Management (Section 56)	2	2	1	5	2	
Municipal Manager	0	0	0	0	0.01	0
Total	1243	14	186	478	45.5	80

COMMENT ON INJURY AND SICK LEAVE:

The municipality did not experience any permanent disability or death as a result of injury on duty. The municipality does not have an appointed Medical doctor however when a need arises the approval of the municipal manager for any referrals is done.

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

The Municipality had one employee who was disciplined for financial misconduct and was ultimately dismissed and the matter is referred to the South African Local Government Bargaining Council (SALGBC)

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4.4 PERFORMANCE REWARDS

COMMENT ON PERFORMANCE REWARDS:

No performance bonuses have been awarded by the municipality

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COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The municipality budgets 1% of its workforce as required and employees are taken through skills development programmes. The municipality budgets for Bursaries over and above this budget. Opportunities presented by SALGA are also utilized for workforce capacity development.

4.5 SKILLS DEVELOPMENT AND TRAINING

Description	Financial Competency Development: Progress Report*					Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	
Financial Officials						
Accounting officer	0	0	1	0	0	0
Chief financial officer	1	0	1	0	0	0
Senior managers	3	0	1	0	1	0
Any other financial officials	35	0	35	0	0	12
Supply Chain Management Officials						0
Heads of supply chain management units	1	0	1	0	0	1
Supply chain management senior managers	1	0	1	1	1	1
TOTAL	40	0	40	1	2	14

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Skills Matrix													
Management level	Gender	Employees in post as at 30 June 2015/16	Number of skilled employees required and actual as at 30 June 2015/16				Other forms of training				Total		
			Learnerships		Skills programmes & other short courses								
		No.	Actual: End of 2013/14	Actual: End of 2014/15	2014/15 Target	Actual: End of 2013/14	Actual: End of 2014/15	2014/15 Target	Actual: End of 2013/14	Actual: End of 2014/15	2014/15 Target	Actual: End of 2013/14	Actual: End of 2014/15
MM and s7	Female	1	0	0	1	0	0	0	0	0	0	0	0
	Male	3	0	0	0	0	0	0	0	0	0	0	0
Councillors, senior officials and managers	Female	36	0	21	21	10	10	42	0	35	0	41	66
	Male	26	0	13	13	39	6	62	0	32	0	39	51
Technicians and associate professionals*	Female	3	0	2	2	10	0	2	0	0	0	10	2
	Male	36	0	0	0	30	11	24	0	0	0	30	11
Professionals	Female	18	0	3	3	0	0	0	0	0	0	0	3
	Male	10	0	1	1	0	0	0	0	0	0	0	1
Sub total	Female	58	0	26	27	51	10	44	0	35	0	51	71
	Male	75	0	14	14	69	17	86	0	32	0	69	63
Total		133	0	40	41	89	27	130	0	67	0	120	134

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Chapter 4

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

The municipality does plan for training in that it submits a WSP every year. The only challenge is that accommodation for training is also funded in the same budget. This affects the achievement of training planned for the year. Expenditure normally exceeds the budget. The budget for 15/16 training was R1867550.00.

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

It is important to manage the workforce so that the municipality does not waste financial resources at the expense of service delivery. The procedure for filling of vacancies ensures that only budgeted positions are filled. This is done by filling a request which should be confirmed on the budget for the expected position by the budget and treasury department and approval by the municipal manager. The municipality is currently engaged in a job evaluation exercise which will also confirm the value of all positions.

4.6 EMPLOYEE EXPENDITURE

COMMENT ON WORKFORCE EXPENDITURE:

The municipality has no positions budgeted for resulting in savings. A high number of positions resulted from the review of the structure in 2016. Positions will be filled as per priority list.

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Chapter 4

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	0
	Male	0
Skilled (Levels 3-5)	Female	0
	Male	0
Highly skilled production (Levels 6-8)	Female	0
	Male	0
Highly skilled supervision (Levels 9-12)	Female	0
	Male	0
Senior management (Levels 13-16)	Female	0
	Male	0
MM and S 57	Female	0
	Male	0
Total		0

No appointments were made on posts not approved.

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

The municipality is currently engaged in job evaluation exercise and from this exercise variance will be able to be ascertained.

DISCLOSURES OF FINANCIAL INTERESTS

None has been reported in the financial year under review.

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CHAPTER 5 – FINANCIAL PERFORMANCE

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Description	Year 2015/2016										
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
R thousands	1	2	3	4	5	6	7	8	9	10	11
Financial Performance											
Property rates	69 720	15 444	85 164			85 164	97 112		(11 948)	(0)	-17%
Service charges	140 893	(1 450)	139 443			139 443	127 220		12 223	9%	71%
Investment revenue	9 700	(1 700)	8 000			8 000	10 497		(2 497)	(0)	96%
Transfers recognised - operational	343 350	(46)	343 304			343 304	463 233		(119 929)	-35%	96%
Other own revenue	29 007	14 584	43 591			43 591	47 892		(4 301)	-10%	92%
Total Revenue (excluding capital transfers and contributions)	592 670	26 832	619 502			619 502	745 955		(126 453)	-20%	90%
Employee costs	178 042	(23 391)	154 651			154 651	154 792		(141)	0%	90%
Remuneration of councillors	20 906	106	21 012			21 012	20 794		218	1%	98%
Debt impairment	62 458	100	62 558			62 558	81 824		(19 267)	-31%	91%
Depreciation & asset impairment	105 049	-	105 049			105 049	46 185		58 864	56%	100%
Finance charges	7 575	-	7 575			7 575	8 590		(1 015)	-13%	84%
Materials and bulk purchases	106 317	18 020	124 337			124 337	108 250		16 087	13%	114%
Transfers and grants	38 859	-	38 859			38 859	39 010		(151)	0%	-
Other expenditure	167 767	29 896	197 663			197 663	166 570		31 093	16%	77%
Total Expenditure	686 972	24 731	711 704			711 704	626 015		85 689	12%	91%
Surplus/(Deficit)	(94 302)	1 000	(92 202)			(92 202)	119 940		(212 142)	230%	95%
Transfers recognised - capital	136 471	2 120	138 591			138 591	173 205		(34 614)	-25%	154%
Contributions recognised - capital & contributed assets	(136 471)	(2 120)	(138 591)			(138 591)	(173 205)		34 614	-25%	0%
Surplus/(Deficit) after capital transfers & contributions	(94 302)	(2 101)	(92 202)			(92 202)	119 940		(212 142)	230%	-137%

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Share of surplus/ (deficit) of associate	(94 302)	(2 101)	(92 202)		(92 202)	119 940	(212 142)	230%	-137%
Surplus/(Deficit) for the year	(94 302)	(2 101)	(92 202)		(92 202)	119 940	(212 142)	230%	-137%
Capital expenditure & funds sources									
Capital expenditure									
Transfers recognised - capital	136 471	2 120	138 591		138 591		138 591	100,00%	101,55%
Public contributions & donations			-		-				
Borrowing		-			-				
Internally generated funds	13 786	68 049	81 835		81 835		81 835	100,00%	0,00%
Total sources of capital funds	150 257	70 169	220 426		220 426		220 426	100,00%	146,70%
Cash flows									
Net cash from (used) operating	154 392	16 350	170 742		170 742	200 319	(29 577)	-17,32%	-19,16%
Net cash from (used) investing	(136 471)	(24 041)	(160 512)		(160 512)	(138 566)	(21 946)	13,67%	16,08%
Net cash from (used) financing	(7 943)	(1 994)	(9 937)		(9 937)	(12 210)	2 273	-22,87%	-28,61%
Cash/cash equivalents at the year end	170 213	(9 685)	160 528		160 528	135 277	25 251	15,73%	14,84%

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Chapter 5

Financial Performance of Operational Services						
Description	R '000					
	2014/2015	2015/2016			Year 2015/2016 Variance	
	Actual	Original Budget	Adjustment s Budget	Actual	Original Budget	Adjustme nts Budget
Operating Cost						
Water	187 220	200 577	204 341	200 311	-0,13%	-2,01%
Waste Water (Sanitation)	6 992	14 235	11 505	5 940	-139,66%	-93,69%
Electricity	–	–	–	–		
Waste Management	40 509	52 881	53 663	56 573	6,53%	5,14%
Housing	–	–	–	–		
Component A: sub-total	234 721	267 693	269 508	262 824	-1,85%	-2,54%
Waste Water (Stormwater Drainage)	–	–	–	–		
Roads	49 635	68 513	63 420	29 292	-133,90%	-116,51%
Transport	–	–	–	–		
Component B: sub-total	49 635	–	–	29 292	100,00%	100,00%
Planning	8 972	14 096	9 105	6 751	-108,80%	-34,87%
Local Economic Development	5 786	8 952	8 919	6 664	-34,33%	-33,84%
Component B: sub-total	14 758	23 048	18 024	13 415	-71,81%	-34,36%
Planning (Strategic & Regulatory)	–	–	–	–		
Local Economic Development	–	–	–	–		
Component C: sub-total	–	–	–	–		
Community & Social Services	6 197	6 699	11 661	6 197	-8,09%	-88,16%
Environmental Protection	–	–	–	–		
Health	–	–	–	–		
Security and Safety	17 147	22 863	24 230	17 147	-33,33%	-41,31%
Sport and Recreation	12 399	19 826	18 501	12 399	-59,90%	-49,22%
Corporate Policy Offices and Other	296 112	346 843	369 779	296 112	-17,13%	-24,88%
Component D: sub-total	331 855	396 231	424 171	331 855	-19,40%	-27,82%
Total Expenditure	630 969	686 972	711 704	637 387	-7,78%	-11,66%

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Chapter 5

5.2 GRANTS

Grant Performance						
Description	2014/2015	2015/2016		Actual	Year 2015/2016 Variance	
	Actual	Budget	Adjustments Budget		Original Budget(%)	Adjustments Budget(%)
Operating Transfers and Grants						
National Government:	290 778	342 950	342 950	342 950		
Equitable share	275 714	322 570	322 570	322 570	0,00%	
Municipal Systems Improvement	934	930	930	930	0,00%	
Department of Water Affairs	7 500	12 500	12 500	12 500	0,00%	
Levy replacement	–					
Finance Management Grant	1 600	1 600	1 600	1 600		
PMU	3 185	3 904	3 904	3 904		
Extended Public Works	1 845	1 446	1 446	1 446		
Provincial Government:	400	400	1 000	952		
Health subsidy	–			–		
Housing	–			–		
Ambulance subsidy	–			–		
Sports and Recreation	400	400	1 000	952	0,00%	
0-Jan-00					7700,00%	
District Municipality:	–	–	–	–		
[insert description]						
Other grant providers:	–	–	–	–		
[insert description]						
Total Operating Transfers and Grants	291 178	343 350	343 950	343 902		

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5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

Over the years Moses Kotane Local Municipality has been dependent in the service providers for the performance of this function. In the year under review with an environment that is vast in nature containing ±30 000 assets in the registers the municipality only allocated two officials to manage the assets. That did not yield good result in the municipality compelling management to review the structure and create dedicated unit that will be entrusted with the assets management function. The appointment could not be made due to the moratorium issued by the office of the premier. Once the moratorium is lifted the Municipality fill vacant positions, capacitate this unit by ensuring hands on training and other relevant training that are necessary for the assets management such as GRAP trainings.

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2015/2016				
Asset 1				
Name	Groundwater Optimisation			
Description				
Asset Type	Boreholes and Pipelines			
Key Staff Involved	Project Manager - Azola Mthembu			
Staff Responsibilities				
	2012/2013	2013/2014	2014/2015	2015/2016
Asset Value				21 215
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				
Asset 2				
Name	Rural Sanitation			
Description				
Asset Type	VIP Toilets			
Key Staff Involved	Project Manager - Papi Botodi			
Staff Responsibilities				
	2012/2013	2013/2014	2014/2015	2015/2016
Asset Value				10 734
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				
Asset 3				
Name	Siga/Masekoloane Internal Road			
Description				
Asset Type	Road			

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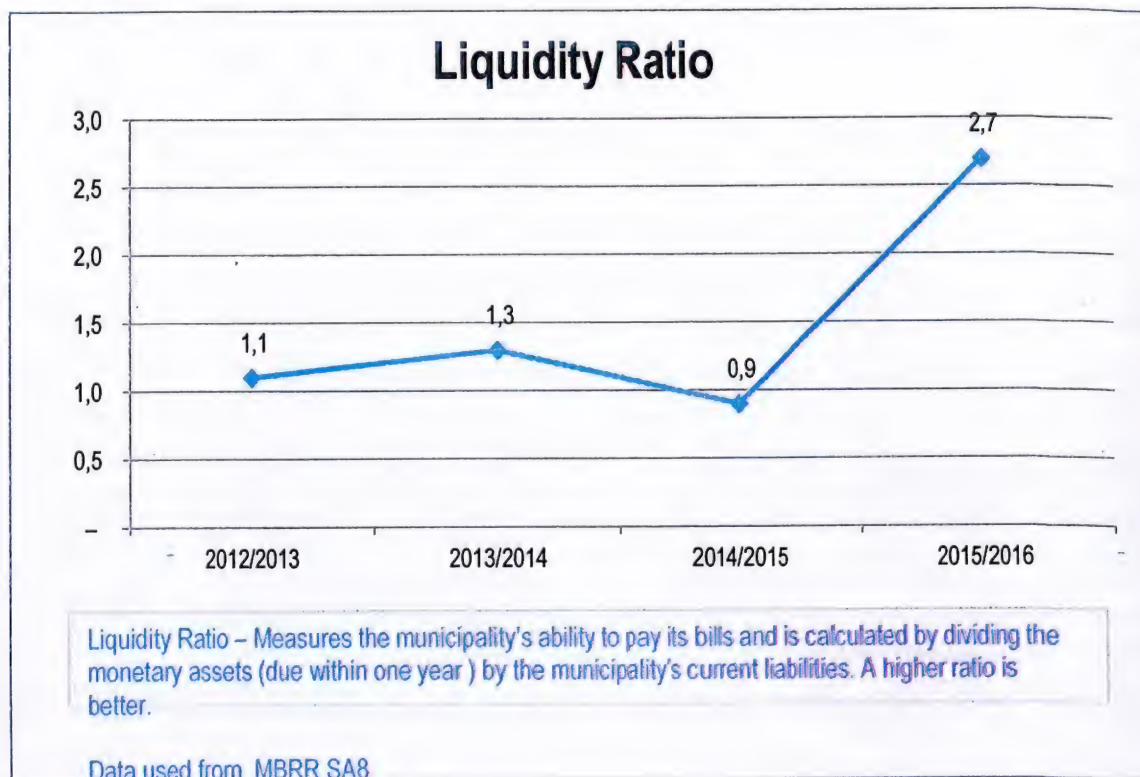
Key Staff Involved	Project Manager - Mr Jabu Sifunda			
Staff Responsibilities				
	2012/2013	2013/2014	2014/2015	2015/2016
Asset Value				8 894
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				

Repair and Maintenance Expenditure: 2015/2016				
				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	51 317	54 337	45 044	12%

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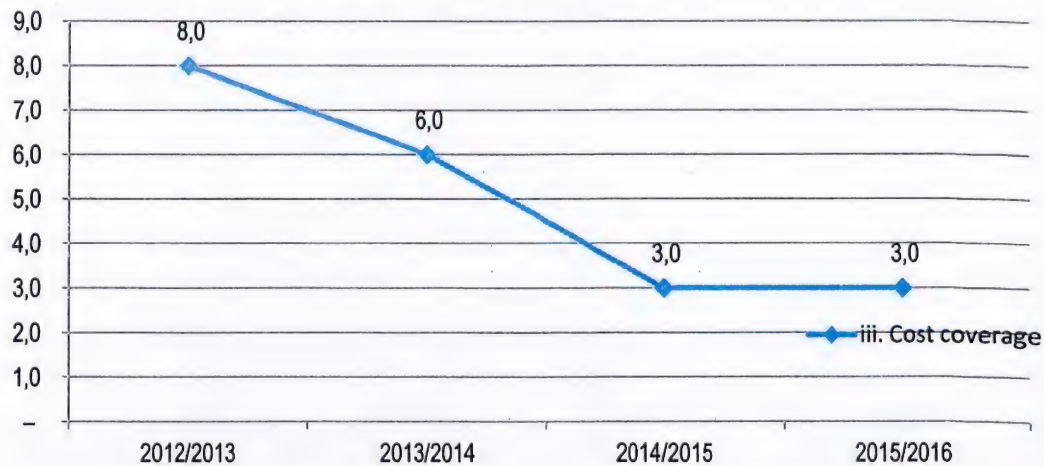
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



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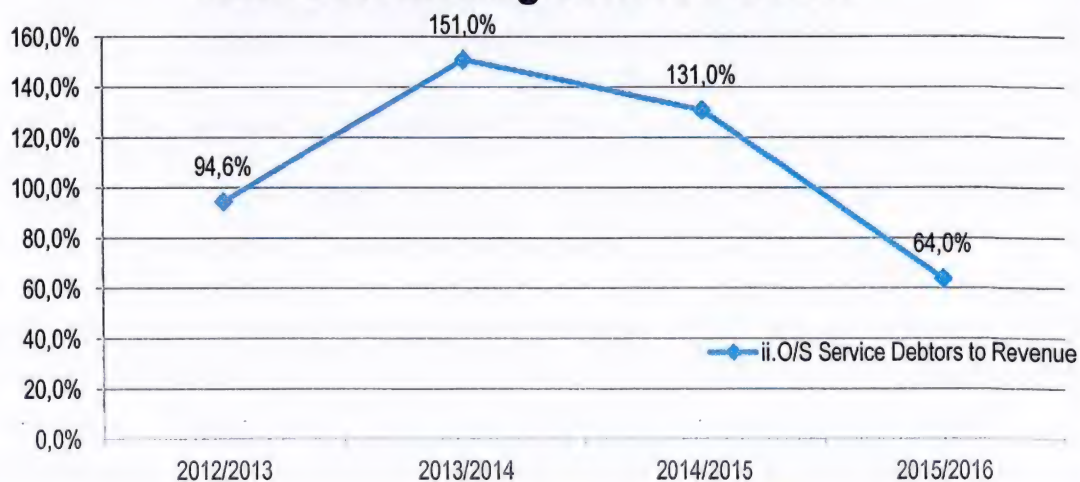
Chapter 5

Cost Coverage



Cost Coverage-- It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated. The Municipality is still in a better position, however the situation may change due to poor collection in the revenue of the municipality
Data used from MBRR SA8

Total Outstanding Service Debtors

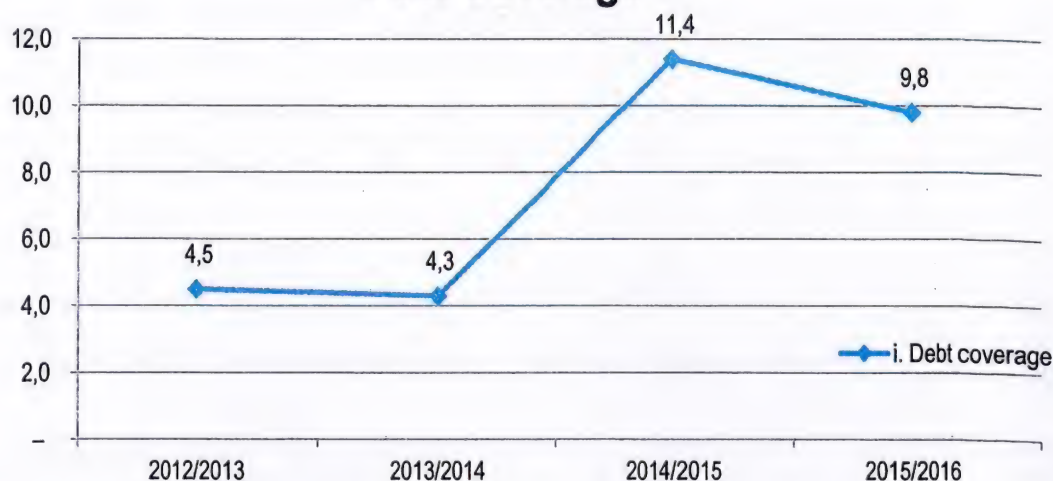


Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

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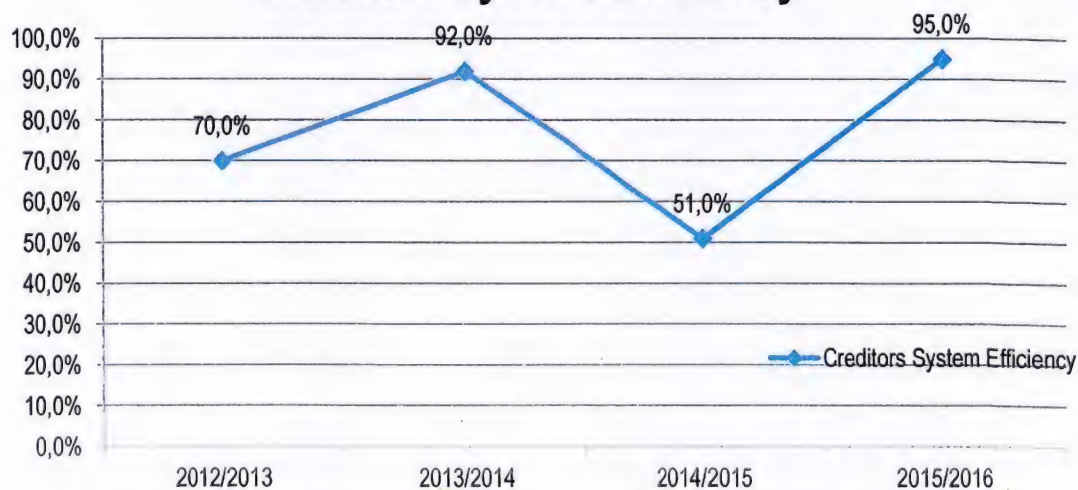
Debt Coverage



Debt Coverage– The number of times debt payments can be accommodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accommodated by the municipality

Data used from MBRR SA8

Creditors System Efficiency



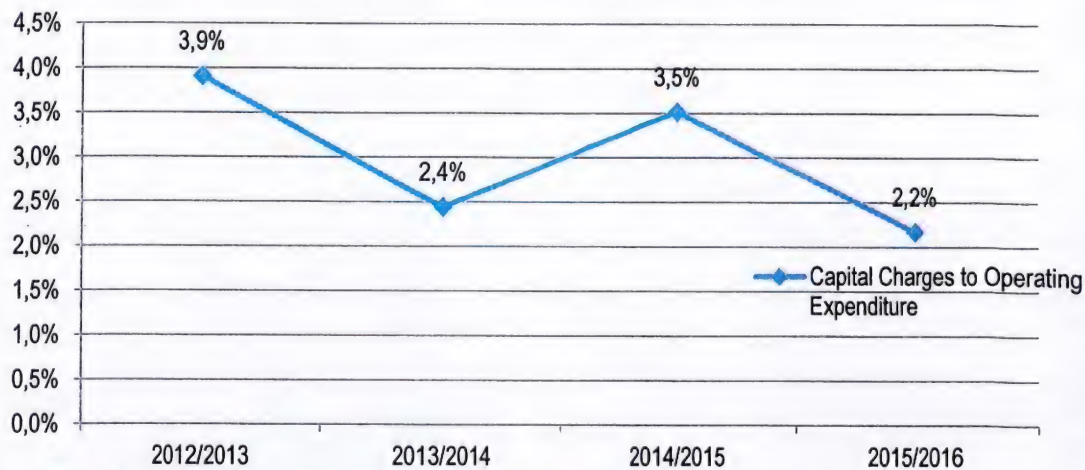
Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases. This table should be ignored since the municipality does not entertain credit purchases that last more than 30 days. At year end (since the system closes ,late invoices end depicting this picture.

Data used from MBRR SA8

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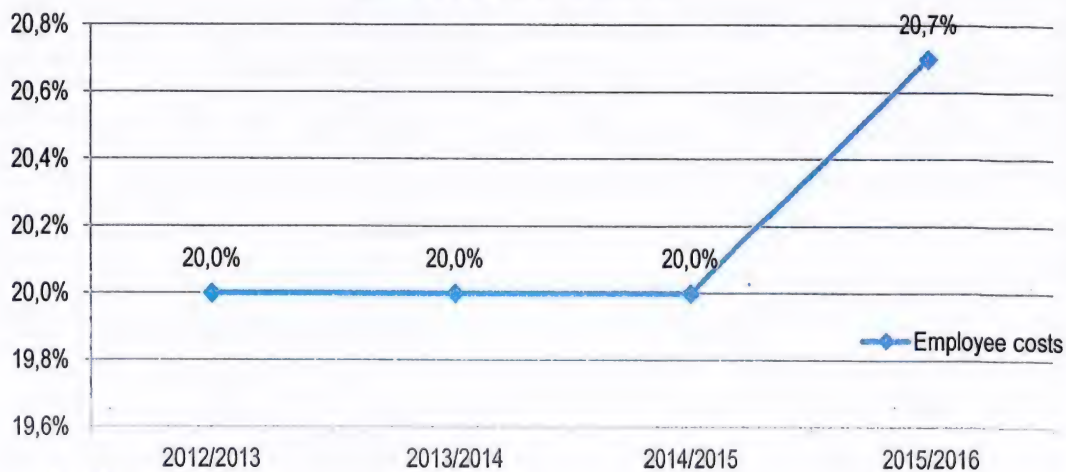
Chapter 5

Capital Charges to Operating Expenditure



Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure. The ratio is acceptable due to the fact that the municipality has not been incurring further debt except servicing the once available. the debt is kept at a minimal at all times.

Employee Costs

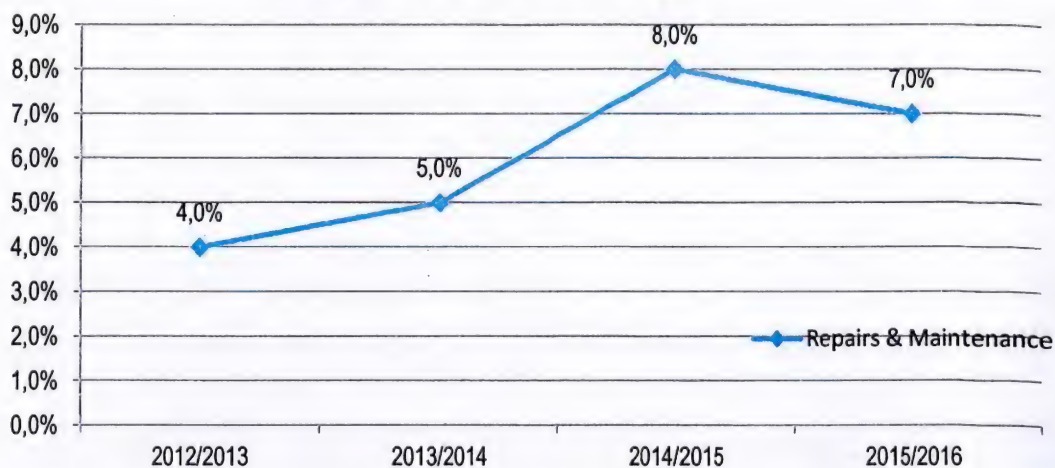


Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue. The employee cost is acceptable if it is below 40% INCA benchmarking

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Chapter 5

Repairs & Maintenance



Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance. The acceptable ratio as per National Treasury guideline is a minimum of 8% which the municipality is failing to reach, thus poor planning regarding maintenance of Municipality's plan

COMMENT ON FINANCIAL RATIOS:

Liquidity ratio shows an improvement as compared to the previous financial year. This is mainly due to the increase in fixed assets. The municipality aimed at an improved ratio in the medium term.

Cost coverage ratio the current cash position of the Municipality can cover all monthly expenses.

The Municipal outstanding debts has improved from 2013/2014 by only a small margin which is not acceptable in terms of the Municipality's target, the municipality intends to implement the revenue enhancement strategy by 2016.

Debt has significantly gone down from 2013/14 to 2014/2015. The ratio is still below the minimum acceptable level. The Municipality is of the opinion that with the current revenue enhancement strategies, the debt-to-equity ratio will improve significantly.

The municipality managed to pay 98% of its creditors within 30 days

Capital charges to operating expenditure has gone down

Employee costs have gone up but are within the minimum acceptable limits

The municipality has not complied with the minimum target of 8% of the total capital budget for repairs and maintenance

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Chapter 5

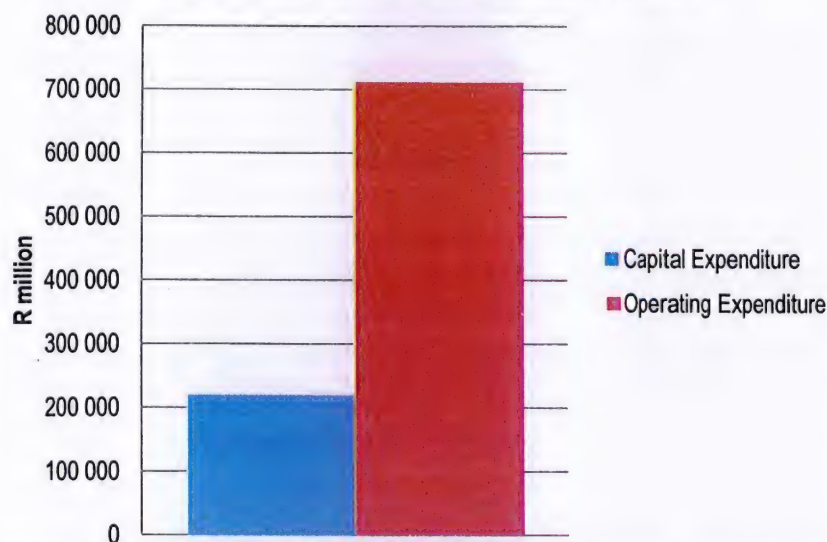
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

The municipality is currently financing its capital projects through loans, grants and leases. The projects emanate from a 5 year IDP which runs on a 3 year MTREF. There are no capital programmes done outside these and are done without confirmed funding

5.5 CAPITAL EXPENDITURE

Capital Expenditure: 2015/2016



Capital Expenditure of 5 largest projects*

Name of Project	2015/2016			Variance: 2015/2016	
	R' 000				
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Lerome/Welverdiend and Dikweipi Phase II Internal Road - 2015/16	9 850 792	10 953 995	10 719 654	-9%	-11%
Ledig Internal Road-2015/2016	9 500 000	10 857 879	8 769 243	8%	-14%
Mabaalstad Internal Road 2015/2016	9 500 000	10 332 463	9 675 951	-2%	-9%
Rural Sanitation Programme Phase IV	10 867 459	11 083 161	11 057 865	-2%	-2%
Groundwater Optimisation Phase II	12 576 650	11 654 204	9 297 413	26%	7%

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5.6 SOURCES OF FINANCE

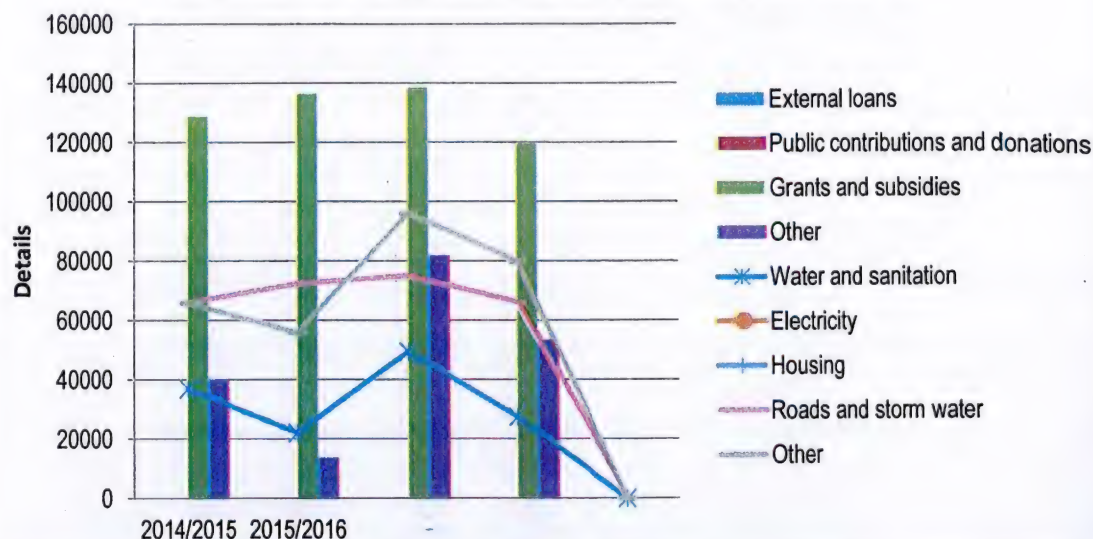
Capital Expenditure - Funding Sources: 2014/2015 to 2015/2016							
R' 000							
Details		2014/2015	2015/2016				
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance							
	External loans						
	Public contributions and donations						
	Grants and subsidies	128 837	136 471	138 591	119 744	1,55%	-12,26%
	Other	40 027	13 786	81 835	53 461	493,61%	287,79%
Total		168 864	150 257	220 426	173 205	495,16%	275,54%
Percentage of finance							
	External loans	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
	Public contributions and donations	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
	Grants and subsidies	76,3%	90,8%	62,9%	69,1%	0,3%	-4,4%
	Other	23,7%	9,2%	37,1%	30,9%	99,7%	104,4%
Capital expenditure							
	Water and sanitation	37 000	22 077	49 417	27 396	123,84%	24,09%
	Electricity						
	Housing						
	Roads and storm water	66 000	72 343	74 906	65 901	3,54%	-8,90%
	Other	65 864	55 837	96 103	79 908	72,11%	43,11%
Total		168864	150257	220426	173205	199,50%	58,30%
Percentage of expenditure							
	Water and sanitation	21,9%	14,7%	22,4%	15,8%	62,1%	41,3%
	Electricity	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
	Housing	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
	Roads and storm water	39,1%	48,1%	34,0%	38,0%	1,8%	-15,3%
	Other	39,0%	37,2%	43,6%	46,1%	36,1%	73,9%

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Chapter 5

Source of Finance and Capital Expenditure



5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
Name of Project	Current: Year 2014/2015			Variance: Current Year 2014/2015	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A - Groundwater optimization	7 622	24 700	21 215	-178%	-224%
B - Rural Sanitation	4 297	11 089	10 734	-150%	-158%
C - Internal Roads Siga/Masekoloane	8 758	7 352	8 894	-2%	16%
D - Internal Road Ntsweng	7 000	7 937	8 019	-15%	-13%
E - Internal Road Mabodisa	7 443	8 196	8 194	-10%	-10%
* Projects with the highest capital expenditure in Year 0					
Name of Project - A	Groundwater optimization				
Objective of Project	Supply of water				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	Access to basic water supply				
Name of Project - B	Rural Sanitation				
Objective of Project	VIP Toilets				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	Improve basic sanitation				
Name of Project - C	Internal Roads Siga/Masekoloane				
Objective of Project	Improve accessibility				
Delays	None				
Future Challenges	None				

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Anticipated citizen benefits	Improve accessibility
Name of Project - D	D - Internal Road Ntsweng
Objective of Project	Improve accessibility
Delays	None
Future Challenges	None
Anticipated citizen benefits	Improve accessibility
Name of Project - E	Internal Road Mabodisa
Objective of Project	Improve accessibility
Delays	None
Future Challenges	None
Anticipated citizen benefits	Improve accessibility
T 5.7.1	

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5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

The Municipality experiences service backlogs in water, electrification of households by Eskom, internal and external roads by provincial departments. This is a moving target due to the increase in the number of households in different areas.

Municipal Infrastructure Grant (MIG)* Expenditure 2015/2016 on Service backlogs						
R' 000						
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjust- ments Budget	
Infrastructure - Road transport				%	%	
Roads, Pavements & Bridges	72 343	74 864	65 859	91,04%	87,97%	
Storm water		42	42		100,00%	
Infrastructure - Electricity				%	%	
Generation				%	%	
Transmission & Reticulation				%	%	
Street Lighting	15 980	19 324	10 706	67,00%	55,40%	
Infrastructure - Water				%	%	
Dams & Reservoirs	6 500	34 410		%	%	
Water purification		327		%	%	
Reticulation	15 577	16 754		0,00%	0,00%	
Infrastructure - Sanitation				%	%	
Reticulation	10 867	11 083	11 058	101,76%	99,77%	
Sewerage purification	2 500	2 500	2 085	83,40%	%	
Infrastructure - Other				%	%	
Waste Management	5 678	6 878	4 631	81,56%	67,33%	
Transportation				%	%	
Gas				%	%	
Other Specify:				%	%	
Municipal Buildings	12 267	11 961	12 619	102,87%	105,50%	
Office equipment and vehicles	8 545	42 283	66 205	774,78%	156,58%	
				%	%	
Total	150 257	220 426	173 205	115,27%	78,58%	

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COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.9 CASH FLOW

Cash Flow Outcomes				
Description	R'000			
	2014/2015	Current: 2015/2016		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	178 084	138 345	151 203	230 514
Government - operating	283 809	343 350	343 350	343 489
Government - capital	128 837	136 471	138 545	119 744
Interest	33 162	12 085	18 119	52 207
Dividends				
Payments				
Suppliers and employees	-516 631	-468 284	-488 209	-596 100
Finance charges	-9 316	-7 575	-7 575	-8 590
Transfers and Grants				
NET CASH FROM/(USED) OPERATING ACTIVITIES	97 945	154 392	155 433	200 319
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	128	13 786		-617
Decrease (Increase) in non-current debtors			57 295	49 543
Decrease (increase) other non-current receivables				
Prior Year Adjustments	1 528			-14 288
Payments				
Capital assets	-168 864	-150 257	-217 807	-173 205
NET CASH FROM/(USED) INVESTING ACTIVITIES	-167 208	-136 471	-160 512	-138 567
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans				
Borrowing long term/refinancing				
Finance Lease Payments	-3 834			-4 107
Payments				
Repayment of borrowing	-7 307	-7 943	-7 943	-8 101
NET CASH FROM/(USED) FINANCING ACTIVITIES	-11 141	-7 943	-7 943	-12 208

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NET INCREASE/ (DECREASE) IN CASH HELD	-80 404	9 978	8 899	49 544
Cash/cash equivalents at the year begin:	165 889	160 235	85 483	85 733
Cash/cash equivalents at the year end:	85 485	170 213	94 382	135 277

COMMENT ON CASH FLOW OUTCOMES:

The Municipality net cash has increased as compared to the prior year by 64%. This is due to the fact that there was recovery of debts from government department and a bigger roll over on the MIG funds(from R2.3 million back to R14 Million.

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5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

The municipality is currently financing its capital projects through loans, grants, own revenue and leases. No new borrowings has been incurred in the current year except the reclassification of the previously recorded loans to the finance leases.

Actual Borrowings: 2013/2014 to 2015/2016			
	R' 000		
Instrument	2013/2014	2014/2015	2015/2016
Municipality	0	0	0
Absa (annuity/reducing balance)	16 733	14 791	9 951
INCA (annuity/reducing balance)	27 596	24 696	21 416
DBSA (annuity/reducing balance)	35 483	33 018	30 317
Absa (annuity/reducing balance)			
Financial Leases	14 404	7 689	6 299
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total	94 216	80 194	67 983

Municipal and Entity Investments			
	R' 000		
Investment* type	2013/2014	2014/2015	2015/2016
	Actual	Actual	Actual
Municipality			
Absa Rustenburg Primary Bank Account	11 775	11 902	20 250
Absa Rustenburg Capital Replacement Reserve	18 106	27 451	10 279
Absa Rustenburg Housing Cheque Account	782	339	408
Absa Rustenburg Traffic Cheque Account	208	415	631
Petty Cash	20	20	20
Absa Rustenburg Call Account	75 720	12 454	31 460
Absa Rustenburg Housing Call Account	9	9	0
Absa Rustenburg MIG Call Account	48 976	28 817	40 222
Absa Rustenburg Civic Centre Call Account	4 451	70	0
Absa Rustenburg Water and Sanitation	187	195	0
Absa Rustenburg Ledig Reservoir		5 120	5 341
Absa Rustenburg Fixed Deposit 12 Months	237	250	265

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Nedbank Fixed Deposit 12 Months			27 000
Other			
Municipality sub-total	160 471	87 042	135 876

COMMENT ON BORROWING AND INVESTMENTS:

The municipality's investments were done in accordance to Cash and Management Policy of the Municipality however the investment portfolio has not been diversified, the Municipality believes that ABSA is a safe and secure institution for municipal investment.

COMPONENT D: OTHER FINANCIAL MATTERS

5.11 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

All bid committees were functional during the financial year under review, for the first time all tender documents were submitted for audit purposes. The municipality has also trained SMMEs on issues relating to SCM regulations and processes. There were no councilors that are part of any SCM committees in the year under review. The SCM officials are all competent in terms of the regulations.

5.12 GRAP COMPLIANCE

GRAP COMPLIANCE

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

The financial statements were prepared in terms of GRAP standards and practices

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CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement... must be audited annually by the Auditor-General.

COMMENT ON AUDITOR-GENERAL'S OPINION 2015/16:

The municipality received a qualified opinion based on the following:

Property, plant and equipment

The municipality did not review the useful life in terms of GRAP standard, in addition there was an error in the calculation of the depreciation and accumulated depreciation which also affected the prior adjustment to be made on the assets

Comments on action plan

The lack the capacity with regard assets and reliance on the service providers contributed to the poor audit outcome. In order to correct the situation the municipality has reviewed the structure and created a dedicated unit to be entrusted with the management of the assets. This unit will be capacitated in order to ensure effective assets management and compliance with relevant standard and take accountability regarding assets of the municipality

Consumer debtors

The municipality did not issue individual statements specifically in Ledig where only one account was issued based on the bulk supply meter and not on the individual household meter, thus the existence of these debtors could not be verified by the Auditor. The calculation of the provision for doubtful debts in terms of GRAP 104 was also affected due to the fact that a methodology requires individual assessment and in Ledig that could not be ascertain due to non-individual account issued.

Comments on action plan

The matter should first be escalated to council to seek common approach that will be supported between officials and council before presented to the public. The municipality's approach will have to be interrogated by AG to ensure that there are no loop holes that may be revealed in the upcoming audit of 2016/17 financial year.

Irregular expenditure

Section 125 of the MFMA requires the disclosure of irregular expenditure incurred. The municipality made payments of R43 002 052 (2015: R39 016 936) in contravention with the supply chain management requirements which were not included in irregular expenditure. As the municipality did not quantify the full extent of the irregular expenditure, it was impracticable to determine the resultant understatement of irregular expenditure of R349 781 910 (2015: R296 872 958) as disclosed in note 41 to the financial statements.

Comments on action plan

The mentioned amount are the issues that AG is not convince that a SCM was followed in its entirety gor example the reasons furnished in the deviation which the municipality has reported to council after

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the expenditure incurred, the appointed of regulation 32 where it is indicated that a due diligence should have been done such as re-evaluation of the information submitted.

In the 2014/15 the finding regarding non submission of bid minutes and the contract of the ground water optimization was raised as an irregular. The municipality complied a file for all the things that were not submitted in terms of the report and the comments and the method was found not to be sufficient and advised to follow regulation 32 processes. This means even the 2015/16 financial year issues raised should be subjected to the process of the regulation 32 and the municipality is planning to follow the recommended process immediately after the annual report has been tabled in council.

Provisions

The municipality did not provide for post-employment medical aid obligations as required by GRAP 25 Employee benefits.

Comments on action plan

The omission of the post-retirement medical aid benefit will be corrected, firstly there HR unit will educate all the members specifically those towards pension of this benefit.

Service charges

The municipality did not bill all consumers accurately for services received as required by GRAP 9 Revenue as the municipality did not have adequate systems in place to ensure all service charges are accurately billed to consumers.

Comments on action plan

These will also be addressed by the action to be taken on the Ledig area as one of the query. On the issue of the tariffs not linked to the accounts resulting in not billing, the matter has been corrected by reviewing all the municipal tariffs and ensuring that they are all billed appropriately.

Commitments

There was an error in the formulas resulting in an understatement of commitment disclosed in the AFS by R10 697 937. 12.

Comments on action plan

Proper review of all the formulas as well as the monitoring of the contract register will be incorporated in our internal controls checklist to ensure that the matter is not omitted during monthly reviews

Cash flow statement

The cash flow statement was not computed in terms of the GRAP 2

Comments on the action plan

There was not enough time to properly review the cash flow computation in line with GRAP 2 due to time constraints making changes allowed by AG in the financial statements.

The Auditor-General will be invited to assist the municipality in achieving this objective.

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REPORT OF THE AUDITOR-GENERAL TO THE NORTH WEST PROVINCIAL LEGISLATURE AND THE COUNCIL ON THE MOSES KOTANE LOCAL MUNICIPALITY

REPORT ON THE FINANCIAL STATEMENTS



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

INTRODUCTION

1. I have audited the financial statements of the Moses Kotane Local Municipality set out on pages 293 to 358, which comprise the statement of financial position as at 30 June 2016, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget with actual information for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

ACCOUNTING OFFICER'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA standards of GRAP), the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA), the Division of Revenue Act of South Africa, 2015 (Act No. 1 of 2015) (DoRA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR-GENERAL'S RESPONSIBILITY

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes

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evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

BASIS FOR QUALIFIED OPINION

PROPERTY, PLANT AND EQUIPMENT

6. I was unable to obtain sufficient appropriate audit evidence for property, plant and equipment due to an inadequate asset management system to record all assets that belong to the municipality, to verify the location of the recorded assets and for amounts disclosed as a prior period correction. I was unable to confirm property, plant and equipment by alternative means. In addition, the municipality did not review the useful lives and residual values, assessed the assets for impairment and properly unbundled all assets as required by GRAP 17 *Property, plant and equipment*. Depreciation and accumulated depreciation was also not calculated correctly as per the accounting policy. I was unable to quantify the full extent of the resulting misstatement to the financial statements as it was impracticable to do so. Consequently, I was unable to determine whether any further adjustment relating to property, plant and equipment of R1 218 665 470 (2015: R1 074 887 527) disclosed in the statement of financial position and note 3, the depreciation and amortisation expense of R46 184 542 (2015: R66 414 822) disclosed in the statement of financial performance and note 27 to the financial statements or prior period errors disclosed in note 35 to the financial statements were necessary.

CONSUMER DEBTORS

7. I was unable to obtain sufficient appropriate audit evidence for consumer debtors due to the municipality being unable to provide individual consumer statements to verify that all consumer debtors exist and was recorded correctly. I was unable to confirm consumer debtors by alternative means. In addition, the municipality did not correctly calculate the debt impairment using the present value of estimated future cash flows as required by GRAP 104 *Financial instruments*. I was unable to quantify the full extent of the resulting misstatement to the financial statements as it was impracticable to do so. Consequently, I was unable to determine whether any further adjustments relating to consumer debtors of R471 255 815 (2015: R420 132 692) and the related allowance for impairment of R276 547 892 (2015: R192 442 230), disclosed in the statement of financial position and note 8 to the financial statements or the debt impairment expense of R81 824 437 (2015: R60 791 303) disclosed in the statement of financial performance and note 25 to the financial statements were necessary.

IRREGULAR EXPENDITURE

8. Section 125 of the MFMA requires the disclosure of irregular expenditure incurred. The municipality made payments of R43 002 052 (2015: R39 016 936) in contravention with the supply chain management requirements which were not included in irregular expenditure. As the municipality did not quantify the full extent of the irregular expenditure, it was impracticable to determine the resultant understatement of irregular expenditure of R349 781 910 (2015: R296 872 958) as

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disclosed in note 41 to the financial statements.

PROVISIONS

9. The municipality did not provide for post-employment medical aid obligations as required by GRAP 25 *Employee benefits*. I was unable to quantify the full extent of the resulting misstatement to the financial statements as it was impracticable to do so. Consequently, I was unable to determine whether any adjustment relating to provisions of R40 057 550 (2015: R33 042 538) disclosed the statement of financial position and note 13 to the financial statements were necessary.

SERVICE CHARGES

10. The municipality did not bill all consumers accurately for services received as required by GRAP 9 *Revenue* as the municipality did not have adequate systems in place to ensure all service charges are accurately billed to consumers. Consequently, service charges as disclosed in the statement of financial performance and note 18 and consumer debtors as disclosed in the statement of financial position and note 8 to the financial statements are understated by R15 096 978 respectively. Additionally, there is a consequential impact on the surplus for the period and on the accumulated surplus.

COMMITMENTS

11. The municipality did not accurately disclose capital commitments as required by GRAP 17 *Property, plant and equipment* due to not having an adequate contract management system and not accurately recording commitments in the commitment register. Consequently, commitments as disclosed in note 33 to the financial statements is understated by R10 697 937.
12. During 2015, I was unable to obtain sufficient appropriate audit evidence for commitments due to an inadequate contract management system. Consequently I was unable to determine whether any adjustment to commitments of R38 248 715 as disclosed in note 33 the financial statements, was necessary. My audit opinion on the financial statements for the period ended 30 June 2015 was modified accordingly. I was still unable to confirm these commitments by alternate means. Consequently, my opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures.

CASH FLOW STATEMENT

13. I was unable to obtain sufficient appropriate audit evidence for net cash flows from operating activities, net cash flows from investing activities and net cash flows from financing activities as management could not provide calculations to substantiate the amounts used as required by of GRAP 2 *Cash flow statements*. The municipality's records did not permit the application of alternative procedures. Consequently, I was unable to determine whether any adjustment relating to net cash flows from operating activities of R200 319 010 (2015: R121 345 927), net cash flows from investing activities of R138 565 999 (2015: R190 360 008) and net cash flows from financing activities of R12 209 634 (2015: R11 141 860) in the cash flow statement and notes thereto were necessary.

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QUALIFIED OPINION

14. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Moses Kotane Local Municipality as at 30 June 2016 and its financial performance and cash flows for the year then ended, in accordance with the SA standards of GRAP and the requirements of the MFMA and the DoRA.

EMPHASIS OF MATTERS

15. I draw attention to the matters below. My opinion is not modified in respect of these matters.

FRUITLESS AND WASTEFUL EXPENDITURE

16. As disclosed in note 40 to the financial statements, fruitless and wasteful expenditure of R72 254 was incurred in the current year and fruitless and wasteful from prior years of R8 893 998 had not yet been dealt with in accordance with section 32 of the MFMA.

MATERIAL LOSSES AND IMPAIRMENTS

17. As disclosed in note 38 to the financial statements, the municipality incurred water losses of R16 694 649 (2015: R12 080 866).
18. As disclosed in note 25 to the financial statements, impairments of R81 824 437 (2015: R60 791 303) were incurred as a result of significant impairment of debtors.

RESTATEMENT OF CORRESPONDING FIGURES

19. As disclosed in note 35 to the financial statements, the corresponding figures for 30 June 2015 have been restated as a result of errors discovered during 2016 in the financial statements of the Moses Kotane Local Municipality at, and for the year ended, 30 June 2015.

MATERIAL UNDER SPENDING OF THE GRANT

20. As disclosed in note 11 to the financial statements, the municipality materially underspent the Municipal Infrastructure Grant by R14 441 346.

ADDITIONAL MATTERS

21. I draw attention to the matters below. My opinion is not modified in respect of these matters.

UNAUDITED DISCLOSURE NOTES

22. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

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UNAUDITED SUPPLEMENTARY SCHEDULES

23. The supplementary information set out on pages 359 to 371 does not form part of the separate financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

24. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected key performance areas presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

PREDETERMINED OBJECTIVES

25. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected key performance areas presented in the annual performance report of the municipality for the year ended 30 June 2016:
- Key performance area 1: Basic service delivery on pages 111 to 137
 - Key performance area 3: Local economic development on pages 138 to 141
26. I evaluated the usefulness of the reported performance information to determine whether it was consistent with the planned key performance areas. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPi).
27. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
28. The material findings in respect of the selected key performance areas are as follows:

KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY

USEFULNESS OF REPORTED PERFORMANCE INFORMATION

29. Section 41(c) of the Municipal Systems Act, 2000 (Act 32 of 2000) (MSA) requires the integrated development plan (IDP) to form the basis for the annual report, therefore requiring consistency of objectives, indicators and targets between planning and reporting documents. Important reported objectives and indicators and targets were not consistent with those in the approved IDP.
30. The FMPPi requires that the processes and systems that produced the indicator be verifiable, that performance indicators should be well defined by having clear definitions so that data can be collected consistently and is easy to understand and use. It further requires that the related performance targets should be specific in

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clearly identifying the nature and required level of performance, measurable and specify the period or deadline for delivery. Important indicators were not verifiable and well defined.

31. Important indicators did not relate logically and directly to an aspect of the municipality's mandate and the realisation of strategic goals and objectives as per the five year IDP, as required by the FMPPI.

RELIABILITY OF REPORTED PERFORMANCE INFORMATION

32. The FMPPI requires the municipality to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets. The reported performance information was not reliable when compared to the source information or evidence provided.

KEY PERFORMANCE AREA 3: LOCAL ECONOMIC DEVELOPMENT

USEFULNESS OF REPORTED PERFORMANCE INFORMATION

33. The FMPPI requires that the processes and systems that produced the indicator be verifiable, that performance indicators should be well defined by having clear definitions so that data can be collected consistently and is easy to understand and use. It further requires that the related performance targets should be specific in clearly identifying the nature and required level of performance, measurable and specify the period or deadline for delivery. Important indicators were not verifiable and well defined.
34. Important indicators did not relate logically and directly to an aspect of the municipality's mandate and the realisation of strategic goals and objectives as per the five year IDP, as required by the FMPPI.

RELIABILITY OF REPORTED PERFORMANCE INFORMATION

35. The FMPPI requires the municipality to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets. I was unable to obtain the information and explanations I considered necessary to satisfy myself as to the reliability of the reported performance information. This was due to limitations placed on the scope of our work due to the fact that the municipality could not provide sufficient appropriate evidence in support of the reported performance information.

ADDITIONAL MATTERS

36. I draw attention to the following matters:

ACHIEVEMENT OF PLANNED TARGETS

37. Refer to the annual performance report on pages 110 to 195 for information on the achievement of the planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information for the selected key performance areas reported in paragraphs 28 to 34 of this report.

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UNAUDITED SUPPLEMENTARY INFORMATION

38. The supplementary information set out on pages 55 to 109 and 176 to 186 does not form part of the annual performance report and is presented as additional information. I have not audited these schedules and, accordingly, I do not report thereon.

COMPLIANCE WITH LEGISLATION

39. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

ANNUAL FINANCIAL STATEMENTS AND ANNUAL REPORT

40. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of non-current assets and current assets, non-current liabilities and current liabilities, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

STRATEGIC PLANNING AND PERFORMANCE MANAGEMENT

41. The adopted IDP did not reflect and identify the key performance indicators and targets as required by sections 26 and 41 of the MSA, as well as regulation 2(1)(e) of the Municipal planning and performance management regulations.
42. The performance management system and related controls were inadequate as it did not describe and represent the processes of performance planning, monitoring, measurement, review, reporting, improvement and how it is conducted, organised and managed, including determining the roles of the different role-players, as required by sections 38 of the MSA and regulation 7 of the Municipal planning and performance management regulations.
43. The key performance indicators set by the municipality did not include indicators on percentage of households with access to basic level of sanitation as required by section 43(2) of the MSA and regulation 10(a) of the Municipal planning and performance management regulations.

EXPENDITURE MANAGEMENT

44. Reasonable steps were not taken to prevent irregular expenditure and fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.

REVENUE MANAGEMENT

45. An effective system of internal control for revenue was not in place, as required by section 64(2)(f) of the MFMA.
46. I could not obtain sufficient appropriate audit evidence that accounts for service charges were prepared on a monthly basis, as required by section 64(2)(c) of the MFMA.

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CONSEQUENCE MANAGEMENT

- 47. Irregular and fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.
- 48. Allegations of financial misconduct laid against officials of the municipality were not investigated as required by section 171(4)(a) of the MFMA.
- 49. Allegations of financial misconduct laid against officials of the municipality were not investigated in accordance with the requirements of Municipal regulations on financial misconduct procedures and criminal proceedings 5(4).

CONDITIONAL GRANTS

- 50. The municipality did not evaluate its performance in respect of programmes funded by the Municipal Infrastructure Grant and Water Services Operating subsidy Grant allocation, as required by section 12(5) of the DoRA.

ASSET MANAGEMENT

- 51. An adequate management, accounting and information system which accounts for assets was not in place, as required by section 63(2)(a) of the MFMA.
- 52. An effective system of internal control for assets, as required by section 63(2)(c) of the MFMA was not in place.

HUMAN RESOURCE MANAGEMENT AND COMPENSATION

- 53. The competencies of the supply chain management officials were not assessed in a timely manner in order to identify and address gaps in competency levels as required by regulation 13 of the Municipal Regulations on Minimum Competency Levels.
- 54. The municipality did not develop and adopt appropriate systems and procedures to monitor measure and evaluate performance of staff in contravention of section 67(d) of the MSA.

PROCUREMENT AND CONTRACT MANAGEMENT

- 55. Goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a).
- 56. Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1).
- 57. Contracts and quotations were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c). Similar awards were identified in the prior year and no effective steps were taken to prevent or combat the abuse of the SCM process in accordance with SCM regulation 38(1).

INTERNAL CONTROL

- 58. I considered internal control relevant to my audit of the financial statements, the annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the

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basis for qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

LEADERSHIP

59. Leadership did not adequately exercise their oversight responsibility regarding financial and performance reporting, compliance with legislation as well as related internal controls.

FINANCIAL AND PERFORMANCE MANAGEMENT

60. The enforcement of policies and procedures remains a challenge for the municipality. This is also the underlying reason for the municipality's inability to compile accurate and complete financial statements as several significant amendments were made during the audit. Furthermore the municipality do not have adequately skilled staff and systems in place to support the monitoring and tracking of critical development priorities.

GOVERNANCE

61. The effectiveness of the audit committee and internal audit's role as an assurance provider was compromised by management's inability to address and react to internal audit's findings and recommendations.

Potchefstroom

30 November 2016



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

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ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
Property Plant & equipment	6	I was unable to obtain sufficient appropriate audit evidence for property, plant and equipment due to an inadequate asset management system to record all assets that belong to the municipality, to verify the location of the recorded assets and for amounts disclosed as a prior period correction. I was	<ul style="list-style-type: none"> Incompleteness of the assets register There was an error in the calculation of the depreciation Immovable assets could not be physically be verified No evidence that the land assets in the register are 	<ul style="list-style-type: none"> Lack of a procedure manual Inadequate staffing Training not provided to the current staff Poor interaction between the asset management unit and the asset management consultants 	<ul style="list-style-type: none"> Develop asset management procedure manual, to define roles and responsibilities Staffing of the current approved structure. Training of staff on the implementation of the procedure manual 	HOU: Assets management	<ul style="list-style-type: none"> Development of procedure manual end Feb 2017 Technical review Mid-February 2017 Meeting with Consultants for systems and SLA 31 January 2017 Developed action plan

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ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		unable to confirm property, plant and equipment by alternative means. In addition, the municipality did not review the useful lives and residual values, assessed the assets for impairment and properly unbundled all assets as required by GRAP 17 <i>Property, plant and equipment.</i> Depreciation and accumulated	<ul style="list-style-type: none"> owned by the municipality The municipality could not demonstrate the impairment of the vandalized assets The corresponding figures which were queried in the prior year audit were still not 		<ul style="list-style-type: none"> Conduct a technical review of the two assets register Revisit the systems and SLA of the consultant to determine the value for money. For the prior year qualified work engage AG on the journals to be passed to 		<ul style="list-style-type: none"> Mid-February 2017 Engagement with AG, 31 March 2017 and ongoing unit end July 2017

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ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		depreciation was also not calculated correctly as per the accounting policy. I was unable to quantify the full extent of the resulting misstatement to the financial statements as it was impracticable to do so. Consequently, I was unable to determine whether any further adjustment relating to	<p>practicable verified</p> <ul style="list-style-type: none"> Residual values and the useful life methods used could not be evaluated Incorrect cost price of the immovable assets Assets registers not in compliance with the GRAP 17 		correct the financial system and the corresponding figures.		

Moses Kotane

ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		property, plant and equipment of R1 218 665 470 (2015: R1 074 887 527) disclosed the statement of financial position and note 3, the depreciation and amortisation expense of R46 184 542 (2015: R66 414 822) disclosed in the statement of financial performance and note 27 to the	<ul style="list-style-type: none"> Differences between the ledger and the assets registers Limitation on the scope of work of the consultant The opening balance of the accumulated depreciation for 2015/16 were incorrect Incorrect accounting policy applied 				

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ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		financial statements or prior period errors disclosed in note 35 to the financial statements were necessary.					
Consumer Debtors	7	I was unable to obtain sufficient appropriate audit evidence for consumer debtors due to the municipality being unable to provide individual consumer statements to	<ul style="list-style-type: none"> The existence could not be verified Incomplete data used for calculation of bad debts Debt impairment calculation not in 	<ul style="list-style-type: none"> Incomplete data used for calculation of bad debts Incorrect tariffs rates used. Service charges for sanitation not charged on properties 	<ul style="list-style-type: none"> Council needs to resolve on the issue of Ledig billing before addressing other finding such as bad debts provisions. 	HOU: Revenue	Report to council about Ledig In February 2017 First calculation in line with GRAP to be done in April 2017

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ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		verify that all consumer debtors exist and was recorded correctly. I was unable to confirm consumer debtors by alternative means. In addition, the municipality did not correctly calculate the debt impairment using the present value of estimated future cash flows as required by GRAP 104 <i>Financial Instruments</i> . I was	<ul style="list-style-type: none"> accordance with GRAP 17 Consumers debtors in Ledig area Service charges for water not charged on properties Incorrect tariffs rates used 	<ul style="list-style-type: none"> Debt impairment calculation not in accordance with GRAP 17 Lack of buy in from the Ledig community as a result of interrupted services. 	<ul style="list-style-type: none"> Bad debts provision will be calculated once the Ledig billing has been resolved also taking into consideration the tariffs which were only billed in November 2016 retrospectively The sanitation that was not 		

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HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		unable to quantify the full extent of the resulting misstatement to the financial statements as it was impracticable to do so. Consequently, I was unable to determine whether any further adjustments relating to consumer debtors of R471 255 815 (2015: R420 132 692) and			<p>charged has been corrected by ensuring that all tariffs are linked to billing to avoid further omission.</p> <ul style="list-style-type: none"> On the incorrect tariffs used the matter has been corrected, and all tariffs have been reviewed for correctness 		

Moses Kotane

ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		the related allowance for impairment of R276 547 892 (2015: R192 442 230), disclosed in the statement of financial position and note 8 to the financial statements or the debt impairment expense of R81 824 437 (2015: R60 791 303) disclosed in the statement of financial			during November 2016 • Corresponding journals will be submitted to AG for further review before processing in the system.		

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ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		performance and note 25 to the financial statements were necessary.					
Irregular Expenditure	8	Section 125 of the MFMA requires the disclosure of irregular expenditure incurred. The municipality made payments of R43 002 052 (2015: R39 016 936) in contravention with the supply chain	<ul style="list-style-type: none"> The irregular expenditure has been understated by the ones discovered during the Audit. 	<ul style="list-style-type: none"> Inadequate review and monitoring of WUJIF register. Training on irregular expenditure not provided. 	<ul style="list-style-type: none"> Adequate training on the identification of Irregular expenditure and updating of the WUJIF register The municipality review all the audit finding in relation to the 	CFO/Municipal Manager	From February 2017 and monthly monitoring reports

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ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		management requirements which were not included in irregular expenditure. As the municipality did not quantify the full extent of the irregular expenditure, it was impracticable to determine the resultant understatement of irregular expenditure of R349 781 910 (2015: R296 872			contracts raised during the audit to include the WUJIF register both the 2014/15 and 2015/16 financial year <ul style="list-style-type: none"> Prepare investigation reports to the findings of the Auditor General and submit for council consideration, 		

Moses Kotane

ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		958) as disclosed in note 41 to the financial statements.			<ul style="list-style-type: none"> Same reports to be submitted to the AG and treasury for further consideration To avoid further discovery during Audit the municipality will develop a separate checklist to be used to assess regulation 32 		

Moses Kotane

ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
					<p>Contracts, and the reasons furnished for all the deviation.</p> <ul style="list-style-type: none"> For the payment that were awarded in prior years ensure that tender process documents are kept since are always requested during audit 		

Moses Kotane

ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
Provisions	9	The municipality did not provide for post-employment medical aid obligations as required by GRAP 25 <i>Employee benefits</i> . I was unable to quantify the full extent of the resulting misstatement to the financial statements as it was impracticable to do so. Consequently, I was unable to determine	<ul style="list-style-type: none"> Provision for the post medical aid benefits not included in the AFS 	<ul style="list-style-type: none"> Lack of compliance program(checklist) Non -Compliance with GRAP 25 	<ul style="list-style-type: none"> The municipality will review the checklist used during preparation for the AFS to avoid omission of any GRAP related accounting provisions The Municipality will appoint the actuarial to assist with the calculation 	HOU :Expenditure management/budget and reporting	<ul style="list-style-type: none"> 2015/16 financial year calculation to be done end of March 2017 The 2016/17 will be completed on the 15 July 2017

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ACTION PLAN FOR 2015/16 FINANCIAL YEAR							
HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		whether any adjustment relating to provisions of R40 057 550 (2015: R37 749 34 5) disclosed the statement of financial position and note 13 to the financial statements were necessary.			of the employee benefits for the 2015/16 and 2016/17 financial year. • The calculation will be submitted to AG for further scrutiny prior processing the journals in the financial system.		
Services Charges	10	The municipality did not bill all consumers	• Refer to paragraph 7	• Refer to par 7	• Refer to paragraph 7	HOU Revenue Manager	• Item to council in relation to

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ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		accurately for services received as required by GRAP 9 Revenue as the municipality did not have adequate systems in place to ensure all service charges are accurately billed to consumers. Consequently, service charges as disclosed in the statement of financial performance and note 18 and					Ledig will be submitted in February 2017

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HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		consumer debtors as disclosed in the statement of financial position and note 8 to the financial statements are understated by R15 096 978 respectively. Additionally, there is a consequential impact on the surplus for the period and on the accumulated surplus.					

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ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
Commitments	11-12	The municipality did not accurately disclose capital commitments as required by GRAP 17 <i>Property, plant and equipment</i> due to not having an adequate contract management system and not accurately recording commitments in the commitment register. Consequently, commitments as	<ul style="list-style-type: none"> The information presented on the register was correct however, the formula in the balance column at year end was not drilled down to the last line causing an error on the information where the 	<ul style="list-style-type: none"> Commitment register not monitored and reviewed on a monthly basis. Non-compliance with GRAP 17. 	<ul style="list-style-type: none"> Perform monthly reviews of the Commitment register against supporting documents. The municipality will review the checklist used during preparation for the AFS to avoid inaccurate recording of 	HOU Expenditure/ Budget and reporting management	The corresponding figures will be corrected in June 2018 when new 2016/17 AFS are prepared

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HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		disclosed in note 33 to the financial statements is understated by R10 697 937. During 2015, I was unable to obtain sufficient appropriate audit evidence for commitments due to an inadequate contract management system. Consequently I was unable to determine	formula did not copy.		commitments and supporting documents. • In order to ensure similar errors are prevented from occurring all spread sheets will be reviewed before processing		

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ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		whether any adjustment to commitments of R38 248 715 as disclosed in note 33 the financial statements, was necessary. My audit opinion on the financial statements for the period ended 30 June 2015 was modified accordingly. I was still unable to confirm these commitments by alternate means.					

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HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
Cash-flow	13	I was unable to obtain sufficient appropriate audit evidence for net cash flows from operating	<ul style="list-style-type: none"> The municipality could not compute the cash flow after the changes 	<ul style="list-style-type: none"> Miscommunication on the reconciled figures after changes allowed in the financial 	<ul style="list-style-type: none"> Develop a cash flow module that will automatically populate information 	HOU expenditure/Budget and reporting management	31 March 2017- On going

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HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		activities, net cash flows from investing activities and net cash flows from financing activities as management could not provide calculations to substantiate the amounts used as required by of GRAP 2 <i>Cash flow statements</i> . The municipality's records did not permit the application of alternative	due to time constraints	statement resulting in incorrect cash flow computed	whenever AFS are prepared or changes are effected.		

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ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		procedures. Consequently, I was unable to determine whether any adjustment relating to net cash flows from operating activities of R200 319 010 (2015: R121 345 927), net cash flows from investing activities of R138 565 999 (2015: R190 360 008) and net cash flows from financing activities					

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ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		of R12 209 634 (2015: R11 141 860) in the cash flow statement and notes thereto were necessary.					
Fruitless and wasteful expenditure	16	As disclosed in note 40 to the financial statements, fruitless and wasteful expenditure of R72 254 was incurred in the current year and fruitless and wasteful from	<ul style="list-style-type: none"> The municipality did not deal with all the fruitless and wasteful expenditure as required by the MFMA hence the disclosure in note 40 	<ul style="list-style-type: none"> Lack of a checklist compliance program. Non adherence to the AFS approved plan. Non-compliance with section 32 of the MFMA. 	<ul style="list-style-type: none"> Two checklist have been developed to detect these expenditure before incurred (from SCM) or during payment especially on sundry payments 	CFO/Municipal manager	On-going monitoring on the implementation of council resolution on fruitless and wasteful expenditure with effect February 2017

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ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		prior years of R8 893 998 had not yet been dealt with in accordance with section 32 of the MFMA.	<ul style="list-style-type: none"> Council only resolved on these expenditures late resulting in delay with regard implementatio n and correct ion in the Annual financial statements 		<ul style="list-style-type: none"> Two compliance checklists have been developed to detect these expenditure before occurrence (from SCM) or during payment especially on sundry payments. Regular reviews, monitoring 		

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HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
					<p>and follow ups on all fruitless and wasteful expenditure.</p> <ul style="list-style-type: none"> Monthly progress reports on fruitless and wasteful expenditure and a consolidated monthly WUIF reports submitted on quarterly basis to Council. 		

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ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
Material Losses and impairments	17-18	As disclosed in note 38 to the financial statements, the municipality incurred water losses of R16 694 649 (2015: R12 080 866).	<ul style="list-style-type: none"> The municipality has reported a growing material losses and impairments i.e. the municipality's internal controls and plans did not reduce the material losses to an acceptable levels 	<ul style="list-style-type: none"> Ageing infrastructure Bulk water meters Ineffective maintenance team due to staff complement and capacity building 	<ul style="list-style-type: none"> Contract-out maintenance of water infrastructure. Appointment and training of staff 	Technical services Director	<p>Maintenance contract developed by end of March 2017</p> <p>Training of staff begging of March 2017 and ongoing</p>

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HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		as a result of significant impairment of debtors.					
Reinstatement of corresponding figures	19	As disclosed in note 35 to the financial statements, the corresponding figures for 30 June 2015 have been restated as a result of errors discovered during 2016 in the financial	<ul style="list-style-type: none"> The municipality disclosed the 	<ul style="list-style-type: none"> Adjustments that affect the prior year for the improvement of the audit outcome 	<ul style="list-style-type: none"> Continuous training on the BTO staff 	CFO	On going

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HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		statements of the Moses Kotane Local Municipality at, and for the year ended, 30 June 2015.					
Material underspendin g of the grant	20	As disclosed in note 11 to the financial statements, the municipality materially underspent the Municipal Infrastructure Grant by R14 441 346.	<ul style="list-style-type: none"> This emphasis of matter was raised due to the fact that the municipality had a material underspendin g on the MIG grants which is a service 	<ul style="list-style-type: none"> There was a delay in the implementation of the projects that were dependent on the approval of the EIA by DWA. Approval was granted late Eskom delays in the energizing of 	<ul style="list-style-type: none"> The municipality has appointed engineers for three years to conduct designs for all the MTERF programs, thus avoiding delays in procurement 	Director Infrastructure and Technical Services	July 2016

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HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
Predetermined objectives KPA 1-Basic service delivery	28-31	Usefulness of reported performance information Section 41(c) of the Municipal Systems Act, 2000 (Act 32 of 2000) (MSA) requires the integrated development plan (IDP) to form the basis for the annual report, therefore requiring	<ul style="list-style-type: none"> The LED information was declared due to its usefulness to support the reported information 	<ul style="list-style-type: none"> Lack of understanding the importance of the framework and application of the legislation Non implementation of the internal audit agreed upon action plans and recommendations 	<ul style="list-style-type: none"> To provide training to managers on the Framework for Managing Programme Performance Information (FMPI) and all applicable legislations related to performance 	Municipal Manager All Directors	End February 2017 and ongoing

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HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		consistency of objectives, indicators and targets between planning and reporting documents. important reported objectives and indicators and targets were not consistent with those in the approved IDP. The FMPP requires that the processes and		<ul style="list-style-type: none"> Inadequate performance management system 	<p>management system.</p> <ul style="list-style-type: none"> Data definition sheets to be completed, to assist in the definitions to allow data to be collected consistently and easily understandable. 		

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HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		systems that produced the indicator be verifiable, that performance indicators should be well defined by having clear definitions so that data can be collected consistently and is easy to understand and use. It further requires that the related performance targets should be specific in clearly			<ul style="list-style-type: none"> Submission of planning documents to the Auditor General for adequate review and advice. Targets and indicators will be reported as achieved only if supporting evidence can be validated against the reported information. 		

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ACTION PLAN FOR 2015/16 FINANCIAL YEAR								
HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE	
		identifying the nature and required level of performance, measurable and specify the period or deadline for delivery. Important indicators were not verifiable and well defined. Important indicators did not relate logically and directly to an aspect of the municipality's mandate and the						

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HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		realisation of strategic goals and objectives as per the five year IDP, as required by the FMPPPI. The FMPPPI requires the municipality to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned					

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HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		objectives, indicators and targets. The reported performance information was not reliable when compared to the source information or evidence provided.					
Predetermined objectives KPA 3-Basic service delivery	32-34	The FM/PP1 requires that the processes and systems that produced the indicator be verifiable, that	<ul style="list-style-type: none"> The reliability of the LED performance information was disclaimed 	<ul style="list-style-type: none"> Lack of understanding the importance of the framework and application of the legislation 	<ul style="list-style-type: none"> Training provided to managers on the framework and all applicable legislations 	PMS /Internal Audit /Municipal Manager	Training -End March 2017

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HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		performance indicators should be well defined by having clear definitions so that data can be collected consistently and is easy to understand and use. It further requires that the related performance targets should be specific in clearly identifying the nature and required level of performance,		<ul style="list-style-type: none"> Non implementation of the internal audit agreed upon action plans and recommendations Inadequate performance management system 	<p>related to performance management system.</p> <ul style="list-style-type: none"> Data definition sheets to be completed, to assist in the definitions to allow data to be collected consistently and easily understandable. 		Data sheet –End February 2017

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HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		measurable and specify the period or deadline for delivery. Important indicators were not verifiable and well defined. Important indicators did not relate logically and directly to an aspect of the municipality's mandate and the realisation of strategic goals and objectives as per the five year IDP,			<ul style="list-style-type: none"> Submission of planning documents to the Auditor General for adequate review and advice. Targets and indicators will be reported as achieved only if supporting evidence can 		

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HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		as required by the FMPPI. The FMPPI requires the municipality to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets. I was unable to obtain			be validated against the reported information		

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HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		the information and explanations I considered necessary to satisfy myself as to the reliability of the reported performance information. This was due to limitations placed on the scope of our work due to the fact that the municipality could not provide sufficient appropriate evidence in					

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HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		support of the reported performance information.					
Predetermined objectives- Additional matters	36	Refer to the annual performance report on pages XX to XX and XX to XX for information on the achievement of the planned targets for the year. This information should be considered in the context of the material findings on the usefulness	<ul style="list-style-type: none"> The municipality did not achieve all the planned targets, and there were no tangible remedial actions taken to address the situation 	<ul style="list-style-type: none"> Lack of understanding the importance of the framework and application of the legislation Non implementation of the internal audit agreed upon action plans and recommendations 	<ul style="list-style-type: none"> Training provided to managers on the framework and all applicable legislations related to performance management system. Data definition sheets to be completed, to 	PMS /Internal Audit /Municipal Manager	Quarterly reviews by Internal Audit And submission to Audit committee and consequently to council for oversight

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HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		and reliability of the reported performance information for the selected key performance areas reported in paragraphs 28 to 34 of this report.		<ul style="list-style-type: none"> Inadequate performance management system 	assist in the definitions to allow data to be collected consistently and easily understandabl e. <ul style="list-style-type: none"> Submission of planning documents to the Auditor General for adequate review and advice. Targets and indicators will 		

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HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
					be reported as achieved only if supporting evidence can be validated against the reported information		
Compliance with legislation- Annual financial statements and annual report	39	The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA.	<ul style="list-style-type: none"> This emphasis of matter was raised due to the fact that AG allowed the municipality to effect material changes on 	<ul style="list-style-type: none"> Interim and quarterly financial statements not prepared. Inadequate review of Annual financial statements. 	<ul style="list-style-type: none"> Filling of the vacancy of the manager: Preparation of the Financial Statements. In the interim, an official will be trained /capacitated 	CFO	Beginning of End March 2017 and ongoing monthly

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HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		Material misstatements of non-current assets and current assets, non-current liabilities and current liabilities, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements and supporting records	<p>the annual financial statements that were submitted on the 31 August 2016</p> <ul style="list-style-type: none"> In addition the municipality prepares the financial statement only at year end, no monthly financial statements as well as 		<p>to assist in the preparation of the Financial statements.</p> <ul style="list-style-type: none"> Preparation of the interim and quarterly Financial statements. Conduct an independent review of the Financial statements 		

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HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		that could not be provided resulted in the financial statements receiving a qualified audit opinion.	quarterly financial statements are prepared.				
Strategic planning and performance management	40-42	The adopted IDP did not reflect and identify the key performance indicators and targets as required by sections 26 and 41 of the MSA, as well as regulation	<ul style="list-style-type: none"> The Auditor General raised concerns that; IDP did not reflect and identify the key performance indicators and 	<ul style="list-style-type: none"> Lack of understanding the importance of the framework and application of the legislation Non implementation of the internal 	<ul style="list-style-type: none"> 17/18 reviewed IDP will reflect and identify the key performance indicators and targets as required by 	PMS /Internal Audit /Municipal Manager	

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ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		2(1)(e) of the Municipal planning and performance management regulations. The performance management system and related controls were inadequate as it did not describe and represent the processes of performance planning, monitoring, measurement, review, reporting,	targets as required by 26 and 41 of the MSA and 2(1)(e) of the MPPMR • Inadequate Performance management system and related controls • Municipality's KPI's did not include percentage of housing with	audit agreed upon action plans and recommendation s • Inadequate performance management system.	sections 26 and 41 of the MSA, as well as regulation 2(1)(e) of the Municipal planning and performance management regulations • Review of the Performance Management framework to include describe and represent the processes of		

Moses Kotane

ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		Improvement and how it is conducted, organised and managed, including determining the roles of the different role-players, as required by sections 38 of the MSA and regulation 7 of the Municipal planning and performance management regulations.	access to basic sanitation		performance planning, monitoring, measurement, review, reporting, improvement and how it is conducted, organized and managed, including determining the roles of the different role-players.		

Moses Kotane

ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		The key performance indicators set by the municipality did not include indicators on percentage of households with access to basic level of sanitation as required by section 43(2) of the MSA and regulation 10(a) of the Municipal planning and performance			<ul style="list-style-type: none"> Alignment of the PMS Framework with sections 38 of the MSA and regulation 7 of the Municipal planning and performance management regulations 		

Moses Kotane

ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		management regulations.					
Expenditure management	43	Reasonable steps were not taken to prevent irregular expenditure and fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.	<ul style="list-style-type: none"> This emphasis of matter has been raised due to the fact that the municipality did not prevent fruitless and wasteful expenditure from recurring. 	<ul style="list-style-type: none"> Lack of a checklist compliance program. Non adherence to the AFS approved plan. Non-compliance with section 32 of the MFMA. 	<ul style="list-style-type: none"> Two compliance checklists have been developed to detect these expenditure before occurrence (from SCM) or during payment especially on sundry payments. 	CFO/Municipal manager/All Directors	Refer to paragraph 16 for action plan

Moses Kotane

ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
					<ul style="list-style-type: none"> Regular reviews, monitoring and follow ups on all fruitless and wasteful expenditure. Monthly progress reports on fruitless and wasteful expenditure and a monthly agenda items for MPAC until year end. 		

Moses Kotane

ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
Revenue management	44-45	An effective system of internal control for revenue was not in place, as required by section 64(2)(f) of the MFMA. I could not obtain sufficient appropriate audit evidence that accounts for service charges were prepared on a monthly basis, as required by section 64(2)(c) of the MFMA.	<ul style="list-style-type: none"> This emphasis of matter is raised due to the fact that the municipality was qualified on service charges, where Ledig area was not issued with accounts monthly 	<ul style="list-style-type: none"> Incomplete data used for calculation of bad debts Service charges for sanitation not charged on properties Lack of buy in from the Ledig community as a result of interrupted services. 	<ul style="list-style-type: none"> The sanitation that was not charged has been corrected by ensuring that all tariffs are linked to billing to avoid further omission On the incorrect tariffs used the matter has been corrected, and all tariffs have 	CFO/Municipal manager	Refer to action plan as per paragraph 7

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ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
					<p>been reviewed for correctness during November 2016</p> <ul style="list-style-type: none"> Corresponding journals will be submitted to AG for further review before processing in the system Council needs to resolve on the issue of Ledig billing before addressing 		

Moses Kotane

ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
					<p>other finding such as bad debts provisions</p> <ul style="list-style-type: none"> Bad debts provision will be calculated once the Ledig billing has been resolved also taking into consideration the tariffs which were only billed in November 		

Moses Kotane

ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
					2016 retrospectively		
Consequence management	46-48	Irregular and fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA. Allegations of financial misconduct laid	<ul style="list-style-type: none"> This emphasis of matter has been raised due to the fact that the municipality did not prevent fruitless and wasteful expenditure from recurring. 	<ul style="list-style-type: none"> Lack of a checklist compliance program. Non adherence to the AFS approved plan. Non-compliance with section 32 of the MFMA. 	<ul style="list-style-type: none"> Two compliance checklists have been developed to detect these expenditure before occurrence (from SCM) or during payment especially on sundry payments. 	CFO/municipal manager/All directors	Refer to paragraph 16 for action plan

Moses Kotane

ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		against officials of the municipality were not investigated as required by section 171(4)(a) of the MFMA. Allegations of financial misconduct laid against officials of the municipality were not investigated in accordance with the requirements of Municipal regulations on			<ul style="list-style-type: none"> Regular reviews, monitoring and follow ups on all fruitless and wasteful expenditure. Monthly progress reports on fruitless and wasteful expenditure and a monthly agenda items for MPAC until year end. 		

Moses Kotane

ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		financial misconduct procedures and criminal proceedings 5(4).					
Conditional grants	49	The municipality did not evaluate its performance in respect of programmes funded by the Municipal Infrastructure Grant and Water Services Operating subsidy Grant allocation, as	<ul style="list-style-type: none"> The municipality did not submit reports which are called within two months after the end of the financial year, for an evaluation to the transferring 	<ul style="list-style-type: none"> Roll over 	<ul style="list-style-type: none"> Implementation of the compliance program Monitoring and evaluation report will be submitted to COGTA and DWA, evidence of submission 	Director Infrastructure and technical services	On-going monthly reports will also be compiled for AG

Moses Kotane

ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		required by section 12(5) of the DoRA.	national officer and the relevant provincial treasury.		will be filed for audit trail.		
Assets management	50-51	An adequate management, accounting and information system which accounts for assets was not in place, as required by section 63(2)(a) of the MFMA. An effective system of internal control for assets,	<ul style="list-style-type: none"> This finding was caused by the fact that assets registers were qualified 	<ul style="list-style-type: none"> Lack of a procedure manual Inadequate staffing Training not provided to the current staff Poor interaction between the asset management unit and the 	<ul style="list-style-type: none"> Develop asset management procedure manual, to define roles and responsibilities Staffing of the current approved structure. 	CFO/HOU Assets management	Refer to paragraph 7 above

Moses Kotane

ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		as required by section 63(2)(c) of the MFMA was not in place.		asset management consultants	<ul style="list-style-type: none"> Training of staff on the implementation of the procedure manual Conduct a technical review of the two assets register Revisit the systems and SLA of the consultant to determine the value for money. 		

Moses Kotane

ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
Human resource management	52-53	The competencies of the supply chain management officials were not assessed in a timely manner in order to identify and address gaps in competency levels as required by regulation 13 of the Municipal Regulations on Minimum Competency Levels. The municipality did not develop	<ul style="list-style-type: none"> The competencies of the supply chain management officials were not assessed in a timely manner in order to identify and address gaps in competency levels as required by Municipal Regulations on Minimum 	<ul style="list-style-type: none"> Non-compliance with regulation 13 of the Municipal Regulations on Minimum Competency Levels. 	<ul style="list-style-type: none"> The Municipality has developed the checklist for all the non-compliance officials and all of them has been subjected to the training 	Director Corporate services	<p>Monthly reporting on compliance to minimum competencies with effect February 2017</p> <p>Completion date</p> <p>End of June 2017</p>

Moses Kotane

ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		and adopt appropriate systems and procedures to monitor measure and evaluate performance of staff in contravention of section 67(d) of the MSA.	Competency Levels 13. <ul style="list-style-type: none">No system in place and procedures to monitor, measure and evaluate performance of staff				
Procurement and contract management	54	Goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by	Deviations <ul style="list-style-type: none">Reasons furnished for deviation not appropriate to warrant	<ul style="list-style-type: none">Misinterpretation on the prescriptsLack of continuous training on the regulations	<ul style="list-style-type: none">Review SCM policy to ensure that it addresses gaps identified during the audit, and	HOU SCM/CFO/Municipal Manager/All Directors	Mid-February 2017 Reviewed policy with procedure manual and checklist will be

Moses Kotane

ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		SCM regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1). Contracts and quotations were awarded to bidders who did not submit a declaration on	approval of the deviations Declaration of interest • The system of the declaration of interest not appropriate since there were procurement by officials in the service of the state	• Reliance was based on the evaluation and adjudication report of another institution.	• Embark on the training on the implementation of the SCM to senior managers, bid committees, SCM		submitted to council by March 2017

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ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c). Similar awards were identified in the prior year and no effective steps were taken to prevent or combat the abuse of the SCM process in accordance with	<ul style="list-style-type: none"> Competitive bidding-tender evaluation and pre-qualification Unfair tender evaluation refers to the fleet management contract Quotations not obtained Regulation 32 appointment processes not followed 				

Moses Kotane

ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		SCM regulation 38(1).	Declaration of interest				
Leadership		Leadership did not adequately exercise their oversight responsibility regarding financial and performance reporting, compliance with legislation as well as related internal controls.	<p>Effective leadership culture</p> <ul style="list-style-type: none"> Auditor General raised concern regarding the monitoring controls in place used to ensure adherence to the internal policies and procedures regarding 	<ul style="list-style-type: none"> Ineffective oversight 	<ul style="list-style-type: none"> The mayor's office to implement the one on one sessions with Senior Managers 	Audit Committee/ Council	End February 2017 and on going

Moses Kotane

ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
			<p>predetermine d objectives at an objective level, since there were no corrective action taken for poor performance.</p> <p>Oversight responsibility</p> <ul style="list-style-type: none"> Non review of the financial statements due to changes made 				

Moses Kotane

ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
			<p>after submission</p> <ul style="list-style-type: none"> Non filling of Senior managers position for more than a year Senior managers not meeting the minimum competencies an also not assessed for skills gaps 				

Moses Kotane

ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
			<ul style="list-style-type: none"> Employees allowed to work more than maximum hours as per the Act No performance management system in place 				
Financial and performance management	59	The enforcement of policies and procedures remains a challenge for the	<ul style="list-style-type: none"> No proper management system to maintained information 	<ul style="list-style-type: none"> There is no PMS system in place 	<ul style="list-style-type: none"> Designed proper procedure manuals with 	Municipal Manager	From March 2017 and on-going until June 2017

Moses Kotane

ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		municipality. This is also the underlying reason for the municipality's inability to compile accurate and complete financial statements as several significant amendments were made during the audit. Furthermore the municipality do not have adequately skilled staff and systems in place to support the monitoring and	<p>that supports reported performance in the annual report</p> <ul style="list-style-type: none"> Monthly reconciliation between assets registers and the ledger Non-compliance with laws and regulation Risk management activities and 	<ul style="list-style-type: none"> Reliance on the service providers for the assets management functions 	<p>monitoring tools for PMS</p> <ul style="list-style-type: none"> On the assets refer to paragraph 6 of this report 		

Moses Kotane

ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
		tracking of critical development priorities.	risk strategies not implemented thus repetitive findings raised				
Governance	60	The effectiveness of the audit committee and internal audit's role as an assurance provider was compromised by management's inability to address and react to internal audit's findings and recommendations.	<ul style="list-style-type: none"> Risk management activities and the strategy not adequately addresses procurement and poor performance risks of the municipality resulting in 	<ul style="list-style-type: none"> Lack of understanding the role and importance of internal audit plan reports. 	<ul style="list-style-type: none"> Internal audit report will form part of the standard items of the management meeting The same report will be form part of the MPAC monthly meetings for 	Municipal Manager/Council	From February 2017 and on-going. monthly

Moses Kotane

ACTION PLAN FOR 2015/16 FINANCIAL YEAR

HEADING PARAGRAPH	PAR REF	EXTRACT OF THE AUDIT FINDING	SPECIFIC ISSUES RAISED	ROOT CAUSE	ACTION TO BE IMPLEMENTED	RESPONSIBLE OFFICIALS	TARGET DATE
			repetitive findings <ul style="list-style-type: none"> Internal audit and the audit committee's effectiveness compromised due to non-implementation of the agreed upon action plan with management stated in their reports 		further oversight of the implementation		

Moses Kotane

Report of the Chief Financial Officer

1. INTRODUCTION

It is with great pleasure to present the annual financial statements of Moses Kotane Local Municipality for the year ending 30 June 2016. These annual financial statements were prepared in full compliance with the provision of the generally recognized accounting principles which ensures comparability against prior years

2. Performance highlights

- The municipality managed to pay 99% of its creditors within 30 days upon receiving the invoice with exception of NWDC which is under litigation.
- The Municipality generated and maintained a healthy surplus of R119 939 Million.
- All the financial related commitment were honoured.
- The municipality has improved the record keeping system resulting in the continuous improvement in audit opinion each year.
- Prior audit exception in relation to finance was reduced by 73%.
- Section 71 and 72 reports were completed and submitted timeously in all reporting periods.
- The Adjustment Budget was completed and approved on time while all targets were met with the tabling and approval of the 2015-2016 Budget and MTREF. At this point in time all budget related reports and returns has been submitted to National Treasury while the Annual Financial Statements were completed and submitted to the Auditor-General on 31 August 2016.
- The Integrated Development Plan was totally revised and aligned with the Budget for 2015-2016 and the MTREF for 2016-2017/2017-2018.
- The municipality for the first time improved its MIG spending considerably

Report of the Chief Financial Officer

3. Our commitment

Improve Financial Viability

Moses Kotane Local Municipality remains committed to prudent financial management by strengthening the balance sheet , tightening the credit control and debt management policies and continued improved revenue collection or enhancement strategies. This is evident to the fact that the municipality has accepted assistance by DBSA and Anglo American to cleanse the billing data, metering, assist with water conservation and demand management to reduce the water losses, and aligning billing information with the updated surveyor general information to increase the revenue base.

Clean Audit Opinion

Despite the municipality having received a qualified audit opinion in 2014/15, the municipality is committed to achieve a clean audit opinion by addressing the following issues:

- Compliance to SCM to reduce the unauthorized, irregular, fruitless and wasteful expenditure
- Capacitate the asset management unit to ensure a continuous update on the fixed asset register and testing the impairment on time.
- Capacitate the SCM unit with regard to contract management.
- Implement the system that will recognize all the creditors to avoid prior year payments/corrections each year.
- Improve internal relationships with water department to improve the metering internal controls and other trading related services department (i.e. town planning and housing), to ensure completeness in the billing database.

Report of the Chief Financial Officer

4. REVIEW OF OPERATING RESULTS

4.1 Operating Results 2015/2016

The municipality has generated a healthy surplus of R119 939 million which has increased by 6.4 % as compared to the previous financial year R78 603 million. The decrease was mainly due to the fact that the main streams of water supply continued to be dried even in the year 2014/2015 e.g. such as boreholes dried up during spring period which forced the municipality to circumvent the situation by employing the water tanker services to the affected residents. The Municipality also procured a fleet of R± R35 million which includes five water tankers, electrification of unit 5 as well as completing other programs not covered by MIG

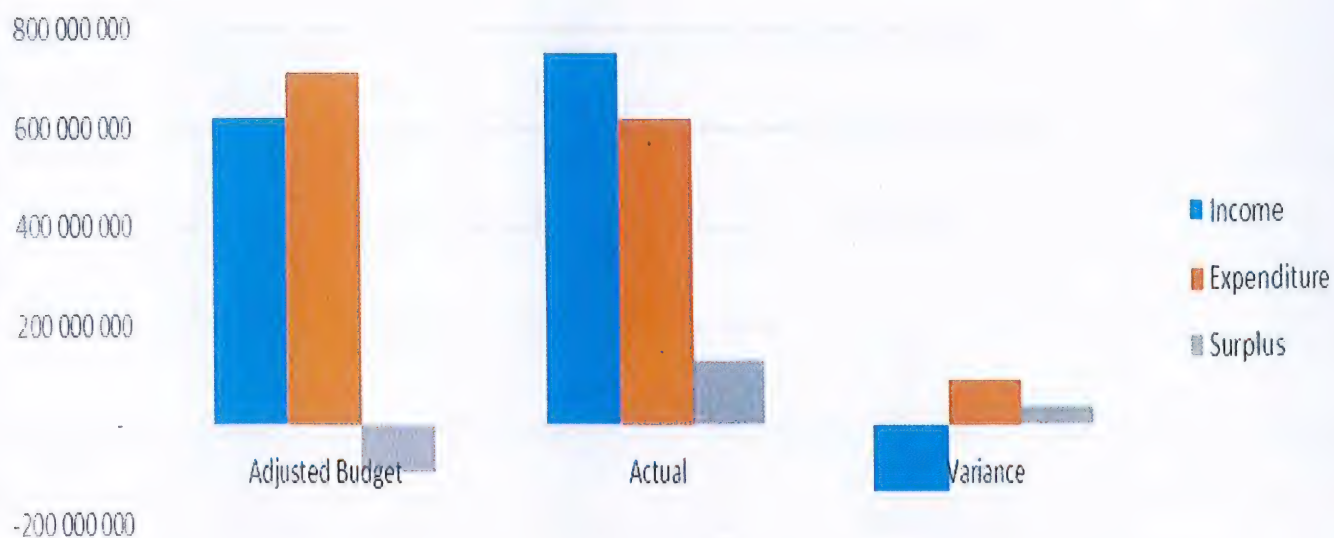
Report of the Chief Financial Officer

Consolidated Operating Results 2015/2016

Details	2016				2015	
	Adjusted Budget	Actual	Variance	% Change	Adjusted Budget	Actual
Income	-619 501 605	745 954 511	126 452 906	16.95%	-517 867 431	-660 372 909
Expenditure	711 703 507	625 397 979	86 305 528	13.80%	597 422 000	577 695 497
Surplus	-92 201 902	120 556 532	-212 758 434	(176.48)	-79 554 569	-82 677 412
Gains and losses	-	-616 892	-616 892	99.95%		4 074 170
Surplus	-92 201 902	119 939 640	27 737 738	23.13	-79 554 569	-78 603 242

The analysis below shows that the municipality raised the revenue higher than the budget and on the expenditure it made savings which resulted in the surplus.

CONSOLIDATED OPERATING RESULTS FOR 2015/2016



Report of the Chief Financial Officer

5. OPERATING INCOME

The operating revenue has increased by R85 582 million which is as compared to the prior year operating revenue [2015- R660 372 909: 2016- R745 954 511]

Out of the actual income of R745 million Government grants contribute 62.10%. This analysis clearly shows that the municipality is dependent on grants for its survival. This municipality contains 105 villages (deep rural) and two township which makes it difficult to collect the revenue.

The analysis below shows a remarkable improvement in terms of the capital grants spending, thus service delivery to our people. In addition the municipality managed to achieve its budget target on the revenue refer to item 6 below. Despite the improvement the municipality did not achieve its target on the traffic fines revenue due to the fact that the system was only purchased at year end.

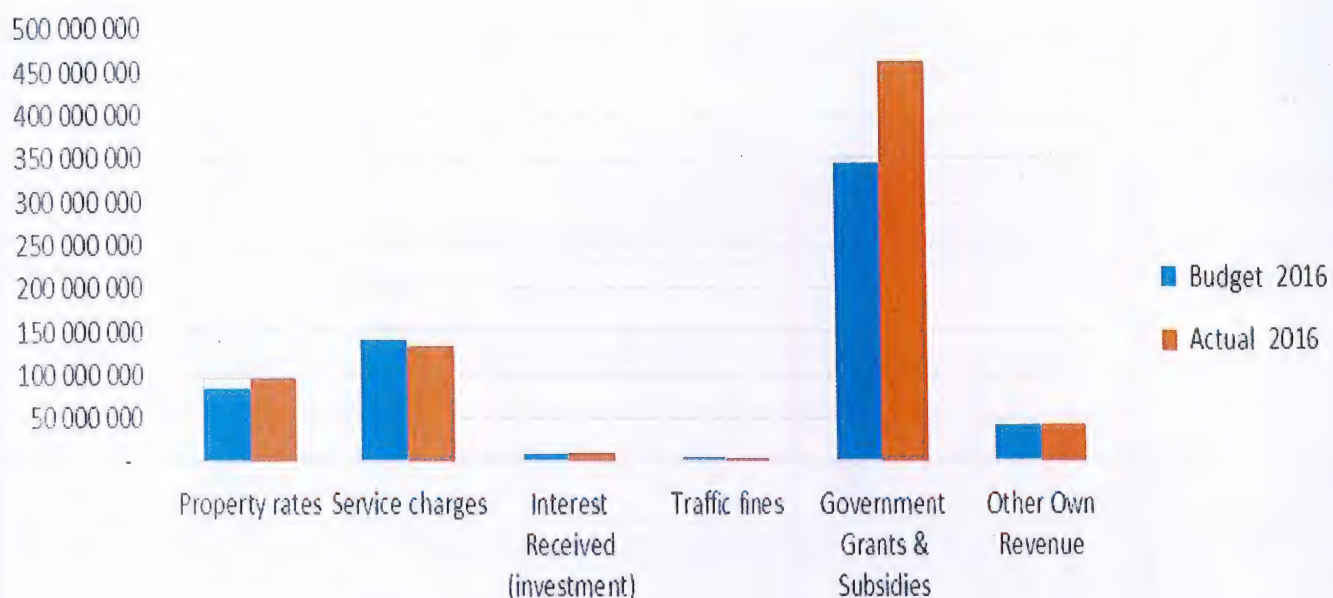
INCOME	Budget	Actual	Variance		Percentage Composition	Actual
	2016	2016	2016			2015
	R	R	R	%		R
Property rates	85 164 112	97 112 317	-11 984 205	13.75	13.02	65 438 378
Service charges	139 442 982	127 220 267	12 222 715	22.51	17.05	127 701 826
Interest Received (investment)	8 000 000	10 497 271	-2 497 271	1.29	1.41	10 291 244
Traffic fines	3 000 000	4 642 650	-1 642 651	0.48	0.62	1 204 300

Report of the Chief Financial Officer

Government Grants & Subsidies	343 304 011	463 233 033	-119 929 022	55.42	62.10	431 618 735
Other Own Revenue	40 590 500	43 248 973	-2 658 473	6.55	5.80	24 118 426
Totals	619 501 605	745 954 511	-126 452 906	100	100	660 372 909

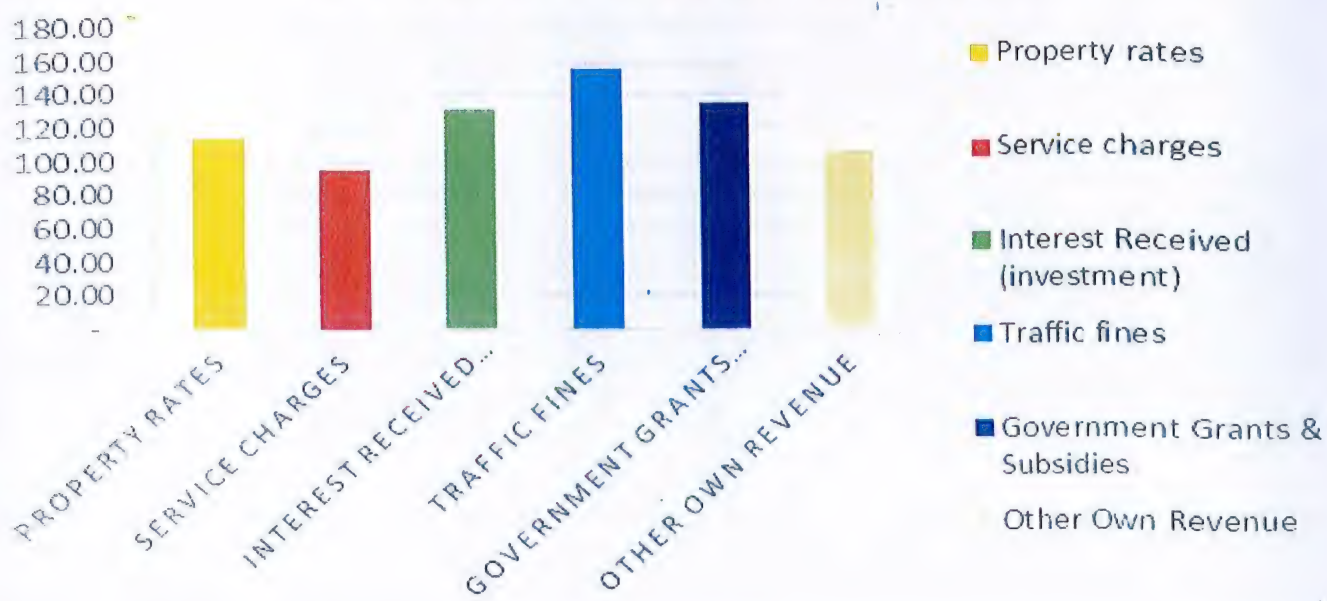
NB: From the above analysis government grants performed more than the budget due to the roll over that we realized, Property rates performed 13.75%, Service charges 22.51% and the traffic fines reported 0.48% this is due to the fact that a provision for the contribution to traffic fines exceeded the actual budget and the municipality noticed a collection of below 1% hence a higher contribution to doubtful debts.

BUDGET VERSUS ACTUAL FOR 2016



Report of the Chief Financial Officer

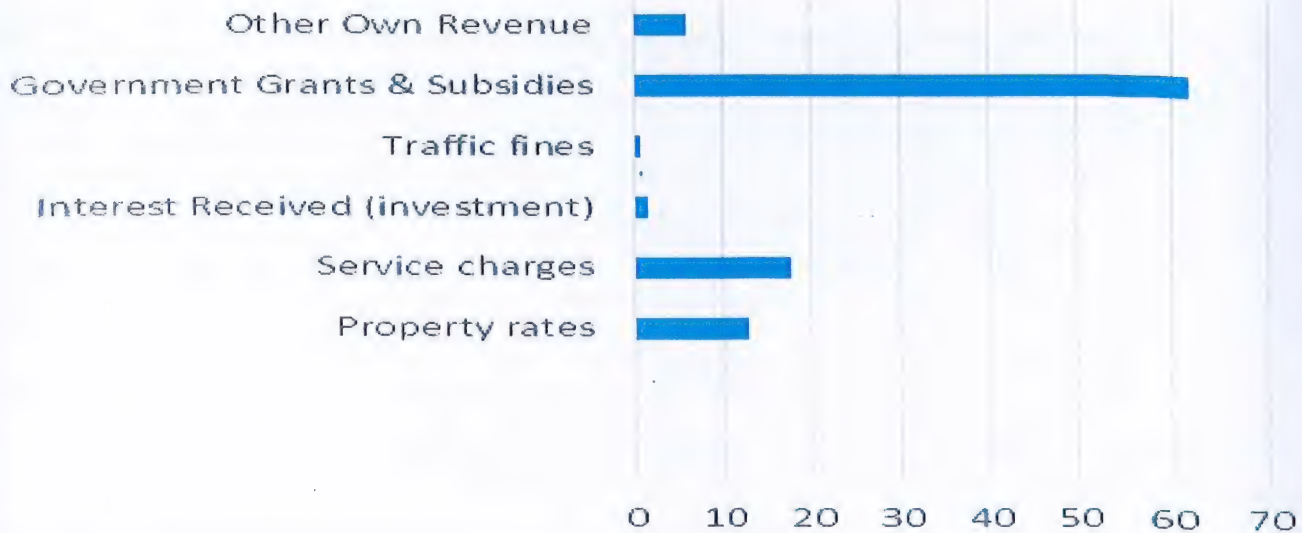
% PERFORMANCE/ SERVICE



NB: The illustration below clearly shows that traffic fine revenue raised exceeded the highest expectation, the municipality needs to improve its internal controls to ensure that this revenue is collected efficiently.

Report of the Chief Financial Officer

Percentage Composition



6. USER LEVIED CHARGES:

In the year under review there was a notable improvement with regards to billing due to the cleansing of data By DBSA resulting in the following:

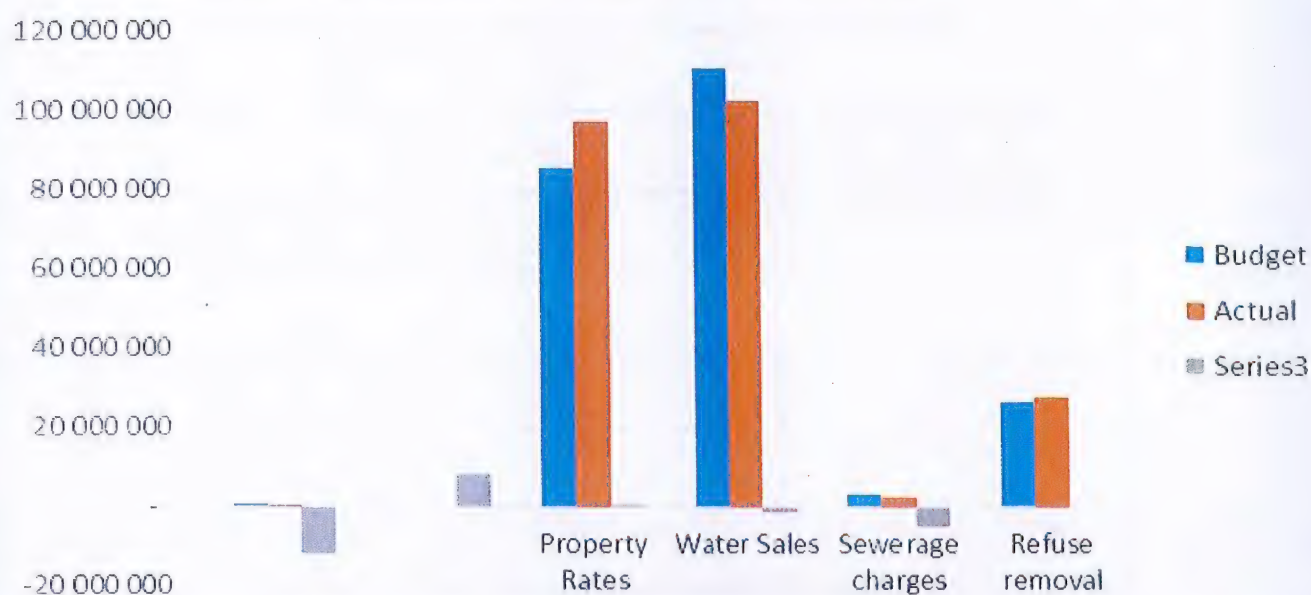
- Adjusting journals to correct mistakes with regard to client type
- Meter information such as meter stuck , failing to read , or green were attended thus improvement in the billing
- The continued implementation of the DBSA 's recommendation on billing information has improved on the billing data

Description	Budget	Actual	Variance	Actual
	2016	2016		2015
	R	R	R	R
Property Rates	85 164 112	97 112 317	-11 948 205	65 438 378
Water Sales	110 551 554	97 070 397	13 481 157	102 913 956

Report of the Chief Financial Officer

Sewerage charges	2 901 889	2 566 959	334 930	2 854 720
Refuse removal	25 989 539	27 582 911	-1 593 372	21 933 150
Totals	224 607 094	224 332 584	274 510	193 140 204

BUDGET VERSUS ACTUAL PER SERVICES



7. Debtors age analysis

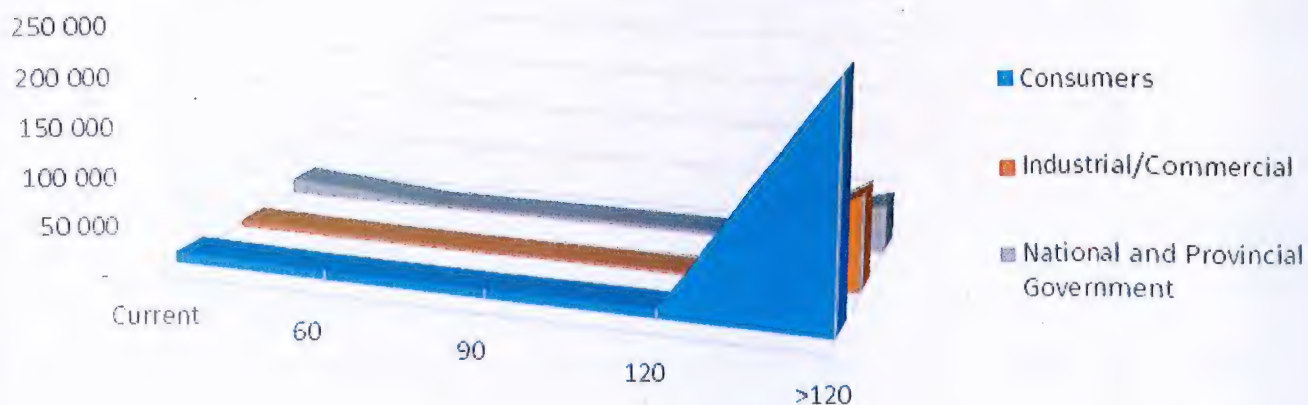
Based on the analysis below, the government seemed to be the biggest contributor of the debtors' book of the municipality, however this was coursed by the corrections of all the abeyance recorded in the municipal system.

Outstanding Debtors		Days Outstanding				
Details		Current	60	90	120	>120
Debtors by customer classification		R				
Consumers		11 195	8 918	8 624	8 873	242 535

Report of the Chief Financial Officer

Industrial/Commercial		6 162	2 966	1 973	1 891	97 244
National and Provincial Government		16 855	3 916	4 290	4 038	49 642

AGE ANALYSIS PER CATEGORY



8. OPERATING EXPENDITURE 2015/2016

The following shows the expenditure per grouping versus amounts budgeted:

Description	2016	2016	Adjustments Budget	2015	Year 0 Variance	
	Actual	Original Budget		Actual	Original Budget	Adjustments Budget
Operating Cost						
Personnel	154 792	178 042	154 651	130 452		
Remuneration of Councillors	20 794	20 906	21 012	19 154		

Report of the Chief Financial Officer

Debt Impairment	81 824	62 458	62 558	60 791		
Depreciation and Amortisation	46 185	105 049	105 049	66 415		
Finance Costs	8 590	7 575	7575	9 316		
Bulk Purchases	63 206	55 000	66 200	55 557		
Contracted	32 623	30 000	33 400	24 333		
Other Expenditure	162 438	168 828	193 122	160 992		
Repairs	45 044	51 317	58 137	45 566		
Ward Committees	2 888	4 100	4 100	3 497		
Provision	7015	3700	5900	1 622		
Total Expenditure	625 398	686 972	711 703	577 695		

8.1 REMUNERATION vs. OPERATING EXPENDITURE

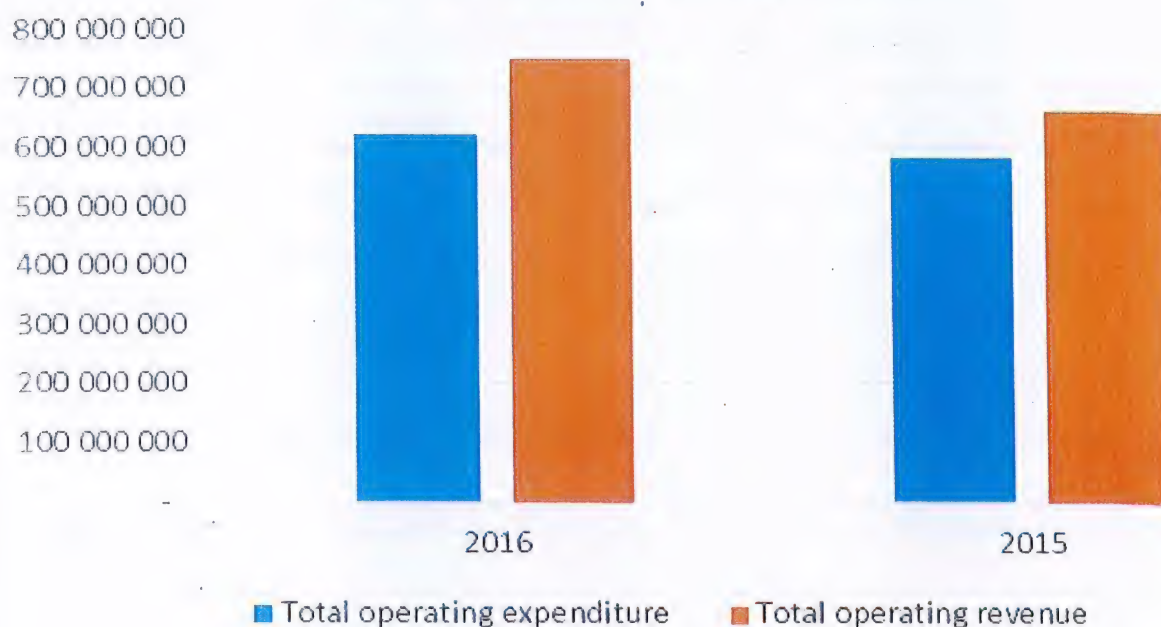
The savings on expenditure on employee related costs compared to the budget can be attributed to savings realized on vacancies not filled as well as vacancies filled at a later stage during the financial year.

The upper limits of salaries, allowances and benefits of different members of the council have been paid in terms of the remuneration of Public Bearers Act, 1988 (Act NO. 20 of 1998) as promulgated in the Government gazette issued in 25 March 2015. The salaries of the employees of the council has been paid in terms of the stipulations as contained in the salary and wages collective agreement of the South African Local Government Bargaining council for the 2015/2016 financial year.

Report of the Chief Financial Officer

Description	2016	2015
	Municipality	Municipality
	R	R
Total operating expenditure	625 397 979	577 695 497
Total operating revenue	745 954 511	660 372 909
Employee remuneration	154 791 910	130 452 066
Ratio: % of total expenditure	24.75%	22.58%
Ratio: % of total revenue	20.75%	19.75%
% decrease/increase in remuneration	4.00%	2.82%

Remuneration vs Expenditure



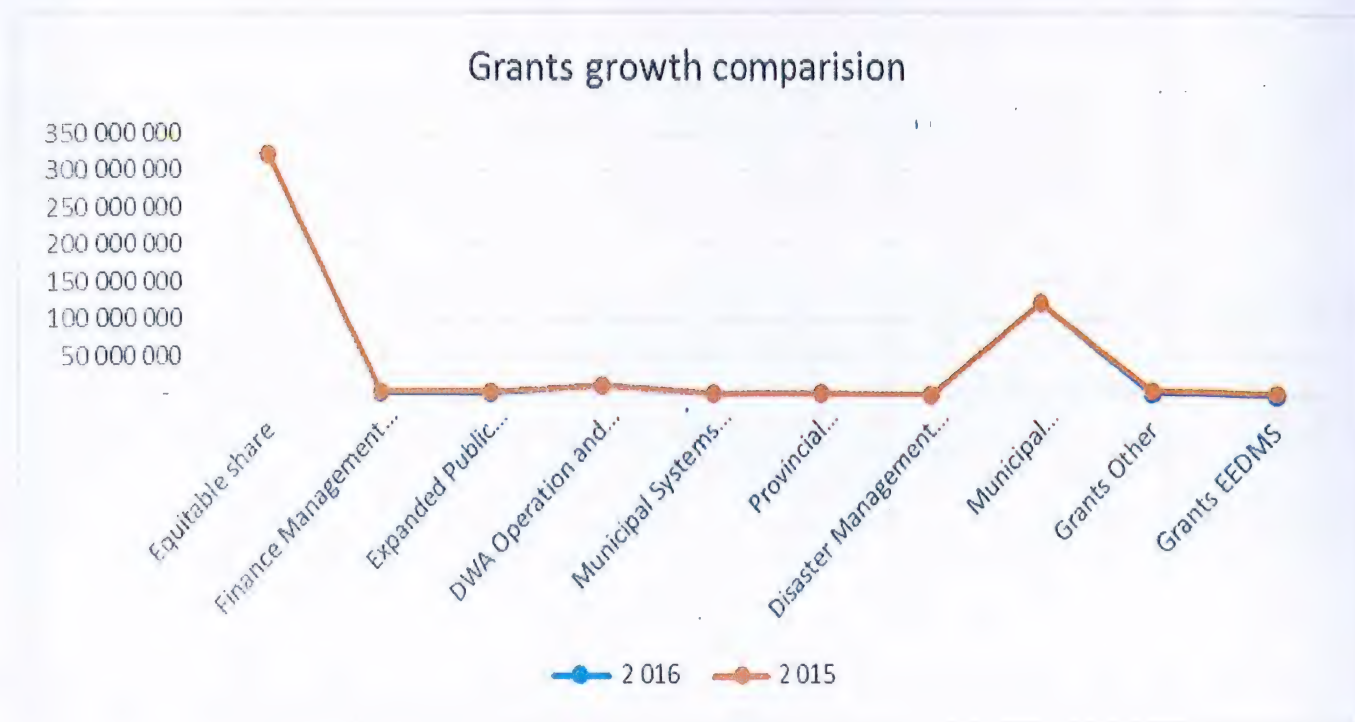
Report of the Chief Financial Officer

9. GRANTS AND SUBSIDIES:

Description	2016	2015
	Municipality R	Municipality R
Equitable share	322 570 000	275 714 000
Finance Management Grant	1 600 000	1 600 000
Expanded Public Works Programme	1 446 000	1 845 000
DWA Operation and Maintenance	12 500 000	15 199 975
Municipal Systems Improvement Grant (MSIG)	930 000	934 000
Provincial Infrastructure Grant	952 300	530 679
Disaster Management Awareness		0
Municipal Infrastructure Grant (MIG)	123 008 039	132 021 775
Grants EEDMS	226 694	3 773 306
Total	463 233 033	431 618 735

The variation in the actual amounts between the 2015/2016 and 2014/2015 financial years are due to the increase of the equitable share and the transfer of the Conditional Grants met to revenue.

Report of the Chief Financial Officer



10. MUNICIPAL DEBT & INVESTMENTS

10.1. Long Term Debt

Below is the movement of long term debtors at year-end

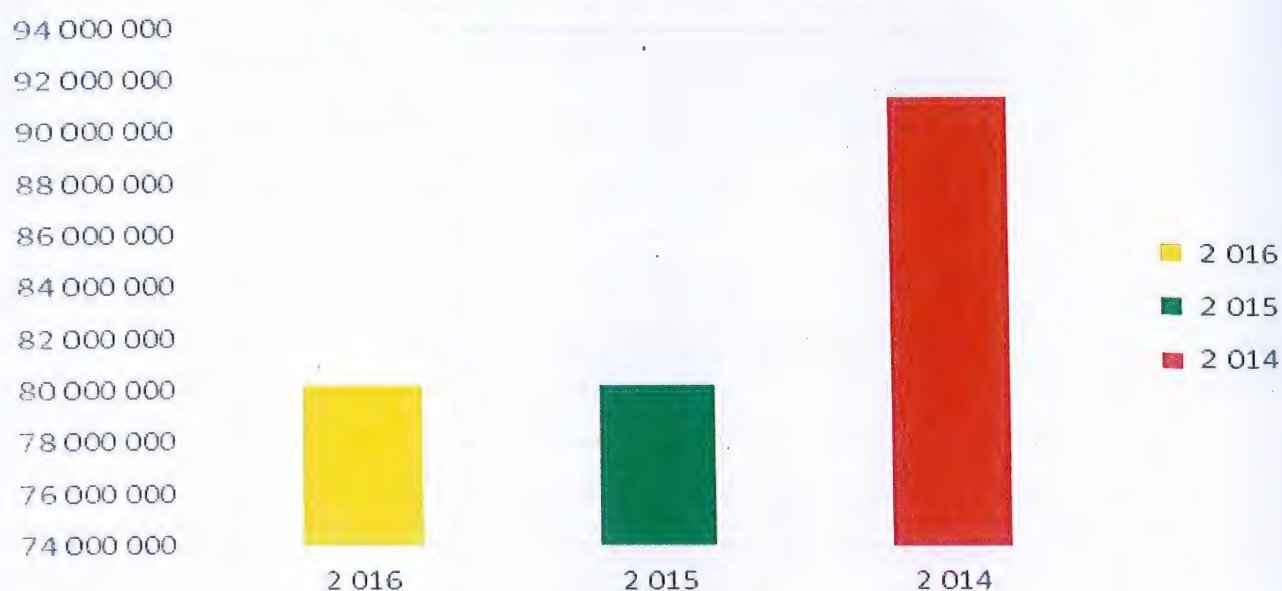
External Loans	2016	2015	2014
	R	R	R
Long-term loans	61 684 956	68 699 923	79 812 554
Total	61 684 956	68 699 923	79 812 554
Finance Lease Obligation (minimum lease payments)	6 299 451	11 494 104	11 523 333

The municipality has entered into a finance lease for ICT hardware and revamp to the value of R12 Million, as well as the loan from Absa which were previously classified as normal loan and not

Report of the Chief Financial Officer

finance lease.

Growth in loans over the period



10.2 Investments

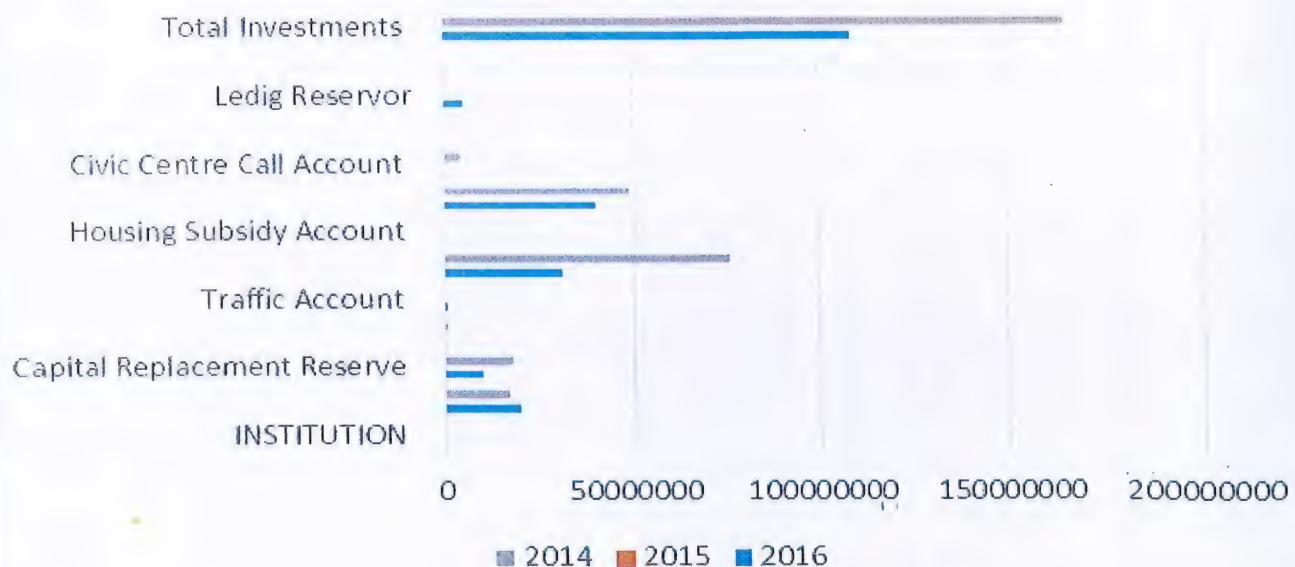
INSTITUTION	2016		2015	2014
	R	R	R	R
Absa Rustenburg Branch	19 649 624	10 592 629	17 430 483	
Capital Replacement Reserve	10 279 104	27 450 737	18 105 823	
Housing Account	407 697	338 701	782 441	
Traffic Account	631 018	415 426	208 317	
MKLM Call Account	31 460 316	12 454 016	75 719 605	
Housing Subsidy Account	-	9 404	9 021	
MIG Call Account	40 222 095	28 816 714	48 975 669	

Report of the Chief Financial Officer

Civic Centre Call Account	-	70 649	4 451 806
Water & Sanitation Call Account	-	194 725	186 841
Nedbank	27 000 000	-	-
Ledig Reservoir	5 341 389	5 120 462	-
ABSA Rustenburg Branch	265 399	249 802	236 869
Petty cash	20 000	20 000	20 000
Total Investments	135 276 642	85 733 265	166 126 875

The graph below shows that the municipality has sufficient cash to honour its long commitment.

Investment performance over the years



Report of the Chief Financial Officer

11. CAPITAL EXPENDITURE AND FINANCING

As far as the capital expenditure is concerned, Council addressed the backlog in certain areas without neglecting the current assets. Backlogs in infrastructure were given a very high priority during the approval of the capital- and operating expenditure. In addition, the Council adhered to guidelines that National Treasury had set for capital expenditure while capital expenditure program was IDP driven. The expenditure incurred during the year in respect of fixed assets, amounted to R170 265 382

The table below shows the distribution of the fixed assets according to the type of asset:

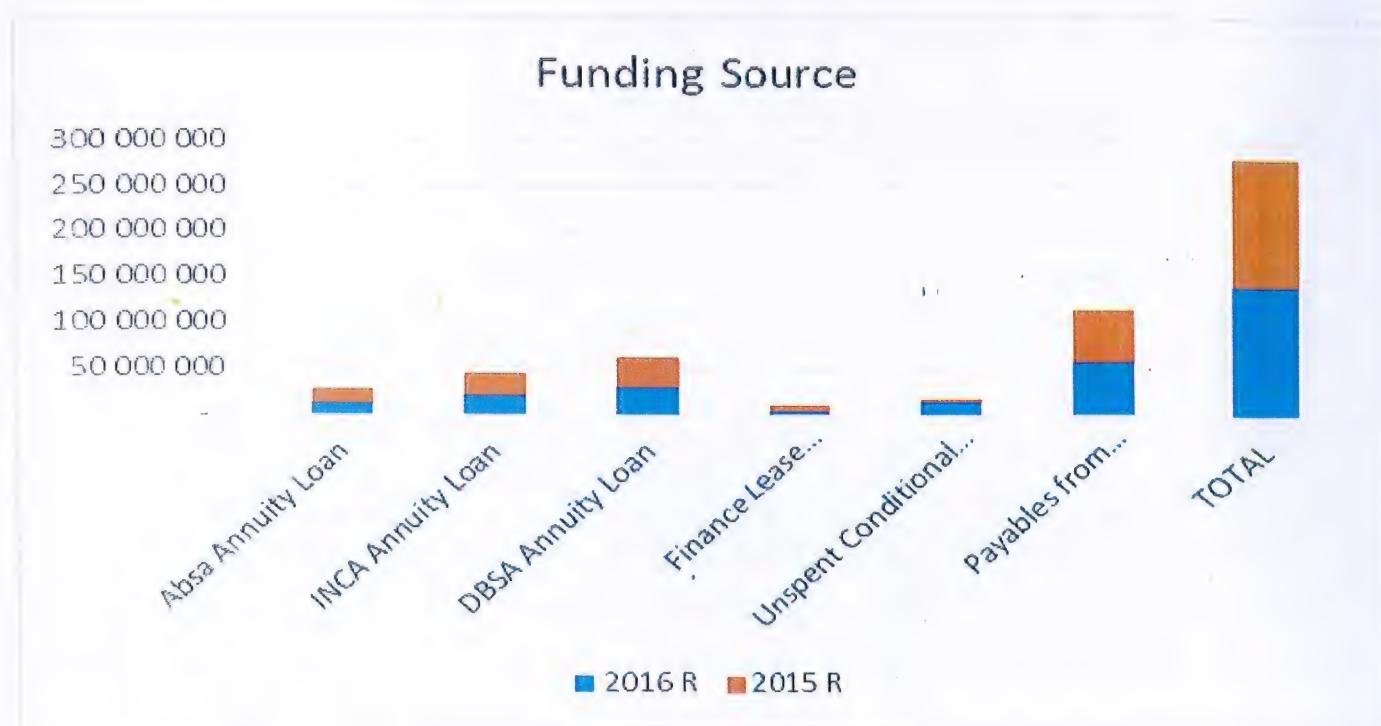
	Carrying Value	Carrying Value	Movement	Growth
Description	2016	2015		%
	R	R	R	
Land	24 031 449	13 026 149	11 005 300	45.80%
Buildings	29 696 207	30 027 406	-331 199	-1.12%
Infrastructure	908 949 505	802 096 847	106 852 658	11.76%
Community Assets	150 094 254	128 188 470	21 905 784	14.59%
Other PPE	105 894 055	64 055 916	41 838 139	39.51%
Total	1 218 665 470	1 037 394 788	181 270 682	14.87%

The above-mentioned fixed assets were financed from the following sources:

Funding source	2016	2015	Movement	% Change
	R	R	R	
Absa Annuity Loan	9 951 426	10 985 320	-1 033 894	-10.39
INCA Annuity Loan	21 416 206	24 696 112	-3 279 906	-1.53

Report of the Chief Financial Officer

DBSA Annuity Loan	30 317 324	33 018 491	-2 701 167	-8.90
Finance Lease Obligation (minimum lease payments)	7 866 303	7 017 466	848 837	10.79
Unspent Conditional Grants	14 675 052	2 587 086	12 087 966	82.70
Payables from Exchange Transactions	78 218 592	77 916 177	302 415	0.39
TOTAL	162 444 903	156 220 652	6 224 251	3.83



Report of the Chief Financial Officer

Key Financial Ratios

Type	2016	2015
Cash and cash equivalents	135 276 642	85 733 265
Liquidity ratio	3.37	3.87
Acid test ratio	3.19	3.70
Gearing ratios		
Debt/Equity	13.37%	14.41%
Debt Ratio (Liabilities/Assets)	12%	13%

Type	2016	2015	Variance (R)	Variance
	Municipality R	Municipality R	Group R	Group (%)
Current assets	368 113 444	372 701 178	-4 587 734	-1.25%
Non-current assets	1 218 679 470	1 074 901 527	143 777 943	11.80%
Total Assets	1 586 792 914	1 447 602 705	139 190 212	8.77%
Current liabilities	107 837 217	93 932 961	13 904 256	12.89%
Non-current liabilities	93 098 384	99 806 867	-6708483	-7.21%
Total liabilities	200 935 601	193 739 828	7 195 773	3.58%
Net Assets	1 385 857 314	1 253 862 877	131 994 437	9.52%

Financial Statistics	2016	2015
	Municipality	Municipality
Current asset ratio	3.41	3.87

Report of the Chief Financial Officer

Acid test ratio	3.33	3.73
Total long-term debt to total revenue*	0.12	0.13
Inventory turnover (times)	0.16	0.14
Cash-flow to Debt ratio (operating cash flow to debt)	0.94	1.33
Financing to capital expenditure ratio	15%	17%
Repairs & maintenance to annual operating revenue	6.88%	5.21%
Net debtors to total annual operating revenue	34.53%	36.43%

12. INVESTMENTS

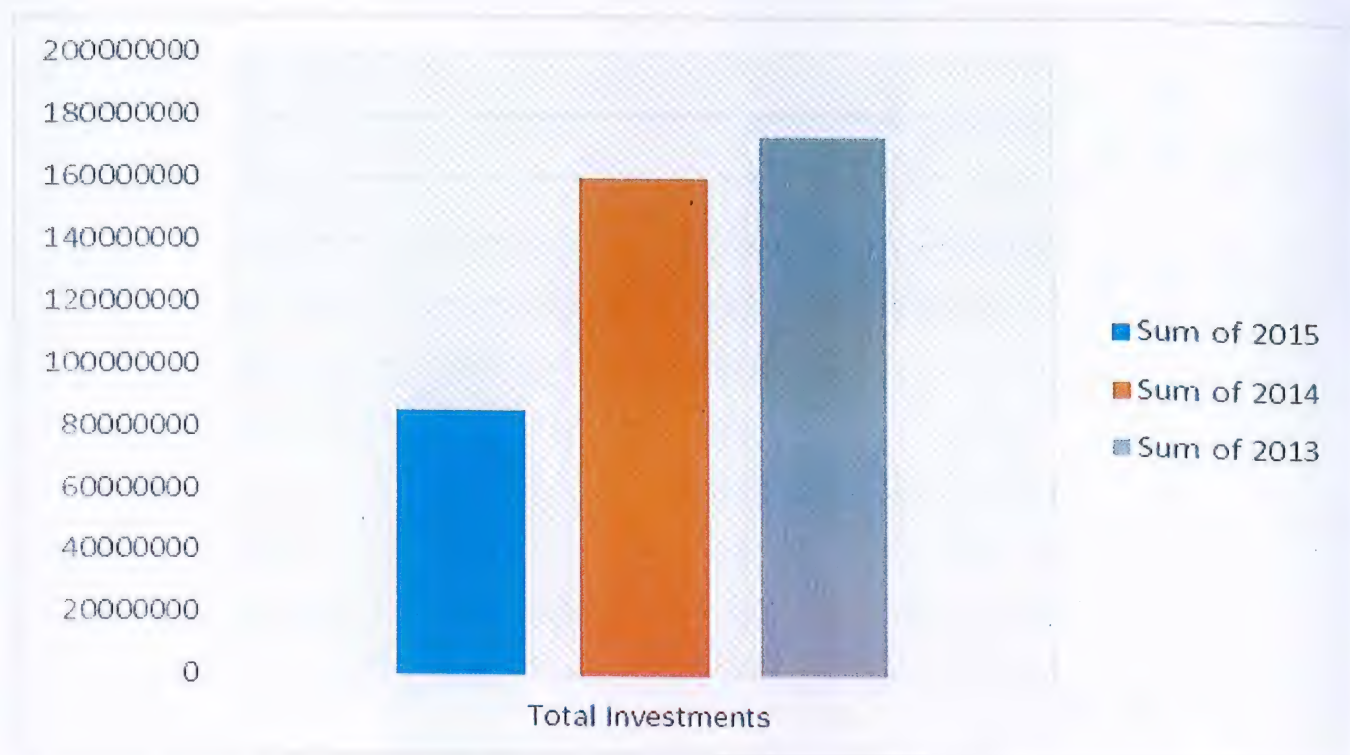
External investments on 30 June 2016 amounted to R135 876 268 compared to R85 483 463 for 2015/2016.

Investment & Bank Accounts

	2016	2015	2014
INSTITUTION	R	R	R
Absa Rustenburg Branch	19 649 624	10 592 629	17 430 483
Capital Replacement Reserve	10 279 104	27 450 737	18 105 823
Housing Account	407 697	338 701	782 441
Traffic Account	631 018	415 426	208 317
MKLM Call Account	31 460 316	12 454 016	75 719 605
Housing Subsidy Account	-	9 404	9 021
MIG Call Account	40 222 095	28 816 714	48 975 669
Civic Centre Call Account	-	70 649	4 451 806
Water & Sanitation Call Account	-	194 725	186 841
Nedbank	27 000 000	-	-
Ledig Reservoir	5 341 389	5 120 462	-
ABSA Rustenburg Branch	265 399	249 802	236 869
Petty cash	20 000	20 000	20 000
Total Investments	135 276 642	85 733 265	166 126 875

Report of the Chief Financial Officer

Investment Trends over the years.



13. HOUSING

The council is acting as an agent for the Northwest Province for the building of RDP houses. The property on which the houses are built belongs to the Traditional Authorities in that area and not to the council. The houses will also be registered in the name of the beneficiary whom is receiving a subsidy from Provincial Government.

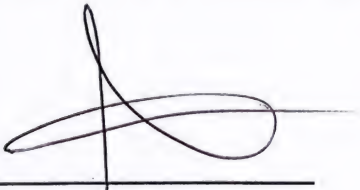
The money received from the Northwest Province is paid into a separate bank account from where the suppliers are being paid.

Report of the Chief Financial Officer

14. EXPRESSION OF APPRECIATION

I am grateful to the Mayor, the Executive Committee, Municipal Manager, Councilors and Departmental Managers for the support they have given to the department during the 2015/2016 financial year.

A special word of appreciation is extended to the team of the Budget and Treasury Office for the months of hard work, sacrifices and dedicated efforts during the financial year to enable us to finalize these financial statements. A special word of thanks to the HOU's: Expenditure and Revenue and SCM for their dedication and countless days and nights spent to achieve the goals. To the Managers that came in after hours to help with the final reconciliations please accept our appreciation.

A handwritten signature in dark ink, consisting of a vertical line and several loops, positioned above a horizontal line.

Ms. L O NDLOVU

Chief Financial Officer

Moses Kotane Local Municipality

31 August 2016

Moses Kotane Local Municipality
Demarcation Code NW375

Financial Statements for the year ended 30 June 2016

Statement of Financial Position as at 30 June 2016

Figures in Rand	Note(s)	2016	2015 Re Stated
Assets			
Current Assets			
Inventories	5	8 370 343	15 899 041
Consumer debtors	8	194 707 925	227 690 462
Receivables from exchange transactions	6	2 156 860	2 835 406
Cash and cash equivalents	9	135 276 642	85 733 265
Receivables from non-exchange transactions	7	12 969 203	11 711 548
VAT receivable	42	14 632 471	28 831 456
		368 113 444	372 701 178
Non-Current Assets			
Property plant and equipment	3	1 218 665 470	1 074 887 527
Heritage assets	4	14 000	14 000
Other financial assets			
		1 218 679 470	1 074 901 527
Total Assets		1 586 792 914	1 447 602 705
Liabilities			
Current Liabilities			
Provisions	13	2 311 205	1 155 216
Payables from exchange transactions	15	78 218 592	77 916 177
Unspent conditional grants and receipts	11	14 675 052	2 587 086
Finance lease obligations	10	4 766 065	5 257 016
VAT payable			
Other financial liabilities	12	7 866 303	7 017 466
		107 837 217	93 932 961
Non-Current Liabilities			
Other financial liabilities	12	53 818 653	61 682 457
Finance lease obligations	10	1 533 386	6 237 088
Provisions	13	37 746 345	31 887 322
		93 098 384	99 806 867
Total Liabilities		200 935 601	193 739 828
Net Assets		1 385 857 313	1 253 862 877
Accumulated surplus		1 385 857 314	1 253 862 877

Moses Kotane Local Municipality
Demarcation Code NW375
Financial Statements for the year ended 30 June 2016

Statement of Financial Performance

Figures in Rand	Note(s)	2016	2015 Re Stated
Revenue			
Revenue from exchange transactions			
Service charges	18	127 220 267	127 701 826
Commissions received		121 027	105 115
Rental Income		26 196	5 287
Sales of housing stands		9 000	
Other income	20	1 382 784	1 137 421
Interest received	26	52 207 237	33 161 847
Total revenue from exchange transactions		180 966 511	162 111 496
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	17	97 112 317	65 438 378
Transfer revenue			
Government grants & subsidies	19	463 233 033	431 618 735
Fines		4 642 650	1 204 300
Total revenue from non-exchange transactions		564 988 000	498 261 413
Total revenue	16	745 954 511	660 372 909
Expenditure			
Employee related cost	22	-154 791 910	-130 452 066
Remuneration of councilors	23	-20 793 948	-19 153 919
Contribution to provisions	24	-7 015 012	-1 621 906
Depreciation and amortization	27	-46 184 542	-66 414 822
Finance costs	28	-8 590 181	-9 315 631
Debt impairment	25	-81 824 437	-60 791 303
Repairs and maintenance		-45 043 941	-45 566 362
Bulk Purchases	31	-63 205 858	-55 557 172
Contracted services	30	-32 623 323	-24 333 038
Ward Committees		-2 888 035	-3 496 922
General Expenses	21	-162 436 792	-160 992 356
Total expenditure		-625 397 979	-577 695 497
Operating surplus		120 556 532	82 677 412
Gain (loss) on disposal of assets and liabilities		-616 892	-4 074 170
Surplus for the year		119 939 640	78 603 242

Moses Kotane Local Municipality**Demarcation Code NW375**

Financial Statements for the year ended 30 June 2016

Statement of Changes in Net Assets

Figures in Rand	Note(s)	Accumulated surplus	Total net assets
Opening balance as at previously reported			0
Adjustments			
Prior year adjustments			
Balance at 01 July 2014 as restated		1 137 130 924	1 137 130 924
Changes in net assets		38 128 711	38 128 711
Surplus for the year		78 603 242	78 603 242
Total changes		1 253 862 877	1 253 862 877
Restated Balance at 01 July 2015		1 253 862 877	1 253 862 877
Adjustments		12 054 797	12 054 797
Surplus for the year		119 939 640	124 643 446
Total changes		1 385 857 314	1 385 857 314
Balance at 30 June 2016		1 385 857 314	1 385 857 314

Disclosure of prior period errors is provided in note 35

Moses Kotane Local Municipality**Demarcation Code NW375**

Financial Statements for the year ended 30 June 2016

Cash Flow Statement

Figures in Rand	Note(s)	2016	Restated 2015 Re Stated
Cash flows from operating activities			
Receipts			
Revenue from non-exchange transactions		97 112 317	65 438 378
Sale of goods and services		133 401 924	130 153 950
Grants		463 233 033	431 618 735
Interest income		52 207 237	33 161 846
		745 954 511	660 372 909
Payments			
Employee costs		-154 791 924	(130 452 066)
Suppliers		-441 308 161	(399 259 285)
Finance costs		-8 590 181	(9 315 631)
		-604 690 266	(539 026 982)
Net cash flows from operating activities	32	200 319 010	121 345 927
Cash flows from investing activities			
Purchase of property, plant and equipment		-173 204 909	(168 864 357)
Proceeds from sale of property, plant and equipment		-616 892	127 702
Increase (decrease) in other financial assets			236 869
Increase (decrease) in cash and cash equivalents		49 543 377	
Non-cash correction in current year			1 540 562
Correction of error as disclosed in 2014 AFS		-14 287 575	(23 400 784)
Adjustment on prior year Library Grant			
Amounts attributable to assets under construction			-
Net cash flows from investing activities		-138 565 999	(190 360 008)
Cash flows from financing activities			
Increase in (Repayment of) other financial liabilities		-8 102 469	(7 307 436)
Finance lease payments		-4 107 165	(3 834 424)
Net cash flows from financing activities		-12 209 634	(11 141 860)
Net increase/(decrease) in cash and cash equivalents		49 543 377	(80 155 941)
Cash and cash equivalents at the beginning of the year		85 733 265	165 889 206
Cash and cash equivalents at the end of the year	9	135 276 642	85 733 265

Moses Kotane Local Municipality**Demarcation Code NW375**

Financial Statements for the year ended 30 June 2016

Statement of Comparison of Budget and Actual Amounts

Budget on cash basis	Approved budget	Adjustments budget	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

Statement of Financial Performance**Revenue****Revenue from exchange transactions**

Service charges	140 892 982	-1 450 000	139 442 982	127 220 267	-12 222 715	N/A
Commissions received	100 000	-30 000	70 000	121 027	51 027	N/A
Rental Income	0		0	26 196	26 196	N/A
Sale of stands/Land	55 000	-54 000	1 000	9 000	8 000	N/A
Other Income	25 352 100	15 167 400	40 519 500	43 092 750	2 573 250	Interest on debtors included in other revenue
Interest received on investments	9 700 000	-1 700 000	8 000 000	10 497 271	2 497 271	N/A
Total revenue from exchange transactions	176 100 082	11 933 400	188 033 482	180 966 511	-7 066 971	

Revenue from non-exchange transactions**Taxation revenue**

Property rates	69 720 382	15 443 730	85 164 112	97 112 317	11 948 205	N/A
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Transfer revenue

Government grants & subsidies	343 349 727	-45 716	343 304 011	463 233 033	119 929 022	Condition met
Fines	3 500 000	-500 000	3 000 000	4 642 650	1 642 650	More fines issued

Total revenue from non-exchange transactions	416 570 109	14 898 014	431 468 123	564 988 000	133 519 877	
Total revenue	592 670 191	26 831 414	619 501 605	745 954 511	126 452 906	

Moses Kotane Local Municipality
Demarcation Code NW375
Financial Statements for the year ended 30 June 2016

Statement of Comparison of Budget and Actual Amounts

Budget on cash basis	Approved budget	Adjustments budget	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Expenditure						
Personnel	178 041 720	(23 390 720)	154 651 000	154 791 910	140 910	Late appointments
Remuneration of councillors	20 906 185	105 815	21 012 000	20 793 948	(218 052)	
Provision	3 700 000	2 200 000	5 900 000	7 015 012	1 115 012	Provision for leave
Depreciation and amortization	105 048 731		105 048 731	46 184 542	58 864 189	
Finance costs	7 575 376		7 575 376	8 590 181	1 014 805	provision Finance Lease
Debt impairment	62 457 606	100 000	62 557 606	81 824 437	(19 266 831)	Non payment
Repairs and maintenance	51 316 500	6 820 170	58 136 670	45 043 941	(13 092 729)	Procurement plans not implemented
Bulk purchases	55 000 000	11 200 000	66 200 000	63 205 858	(2 994 142)	Overspent on bulk purchases
Contracted Services	30 000 000	3 400 000	33 400 000	32 623 323	(776 677)	Contract terminated
Ward Committees	4 100 000		4 100 000	2 888 035	(1 211 965)	N/A
General Expenses	168 826 067	24 296 057	193 122 124	162 436 792	(30 685 332)	N/A
Total expenditure	686 972 185	24 731 322	711 703 507	625 397 979	(7 110 812)	
Operating surplus	(94 301 994)	2 100 092	(92 201 902)	120 556 532	212 758 434	
Gain on disposal of assets and liabilities	-	-	-	(616 892)	(616 892)	
Surplus before taxation	(94 301 994)	2 100 092	(92 201 902)	119 939 640	212 141 542	
Actual Amount on Comparable Basis as presented in the Budget and Actual Comparative Statement						

Accounting Policies

1. Presentation of Financial Statements

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these financial statements, is disclosed below.

1.1 Presentation currency

These financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.2 Basis of preparation

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost basis unless otherwise stated. Under this basis the effects of transactions and other events are recognized when they occur and are recorded in the financial statements within the period to which they related. Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by an accounting standard.

A summary of significant accounting policies, which have been applied consistently are consistent with those of the previous year financial statements, unless explicitly stated the details of any changes in the accounting policies are explained in the relevant policy.

The standards are summarized as follows:

GRAP 1: Presentation of the financial statements

GRAP 2: Cash flow statements

GRAP 3: Accounting policies, changes in accounting estimates and errors

GRAP 4: The effect of changes in foreign exchange transactions

GRAP 5: Borrowing cost

GRAP 6: Consolidated and separate financial statements

GRAP 7: Investments in associates

GRAP 8: Interest in joint ventures

GRAP 9: Revenue from exchange transactions

GRAP 10: Financial reporting in hyperinflationary economies

GRAP 11: Construction contracts

GRAP 12: Inventories

GRAP 13: Leases

Accounting Policies

1.2 Basis of preparation (Continued)

GRAP 14: Events after reporting date

GRAP 16: Investment property

GRAP 17: Property, plant and equipment

GRAP 19: Provisions, contingent liabilities and contingent assets

GRAP 21: Impairment of non-cash - general Property, plant and equipment

GRAP 23: Revenue from non-exchange transactions (taxes and transfer)

GRAP 26: Impairment of cash -generating assets

GRAP 100: Non-current assets held for sale and discontinued operations

GRAP 101: Agricultural

GRAP 102: Intangible assetsAdditional text

GRAP 103: Heritage assets

GRAP 104: Financial instrument

Consideration was given to the Accounting standards approved but not yet affected in the accounting policy. A number of new standards that are not yet effective for the year ended 30 June 2016 are presented in note 2 GRAP 21 : Impairment of non cash generating assets.

1.3 Going Concern

These annual financial statements have been prepared on the assumption that the Municipality will continue to operate as a going concern for at least the next 12 months.

1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- ☐ it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- ☐ the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Accounting Policies

1.4 Property, plant and equipment (Continued)

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Subsequent to initial measurement property, plant and equipment is carried at cost less accumulated depreciation and any accumulated impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life in years
Land	Infinite
Buildings	25-30
Infrastructure	15 - 100
□ Roads	10-30
□ Paving	20
□ Electricity	20 - 30
□ Water	20 - 50
□ Sewerage	20 - 30
□ Housing	25-30
□ Building	25-30
Community	
□ Buildings	25-30
□ Recreational Facilities	20 - 30
Other property, plant and equipment	
□ Other vehicles	5
□ Office equipment	7
□ Computer equipment & software	5
□ Specialist vehicles	7
□ Security	5
□ Furniture and fittings	7
□ Bins and containers	5

Accounting Policies

1.4 Property, plant and equipment (Continued)

<input type="checkbox"/> Specialized plant and equipment	15
<input type="checkbox"/> Other items of plant and equipment	5
<input type="checkbox"/> Land fill sites	'30-55
Heritage	Indefinite
<input type="checkbox"/> Other property, plant and equipment	2 - 10

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognized in surplus or deficit unless it is included in the carrying amount of another asset. Items of property, plant and equipment are derecognized on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

Depreciation on assets other than land is calculated on cost, using the straight line method, to allocate their cost or revalue to their residual values over the estimated useful lives of the asset. The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality.

The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. Such difference is recognized in surplus or deficit when the item is derecognized.

Compensation from third parties for an item of property, plant and equipment that was impaired, lost or given up is recognized in surplus or deficit when the compensation becomes receivable.

Useful lives of property, Plant and equipment.

The municipality's management determines the estimated useful lives and related depreciation charges for property, plant and equipment. This estimate is based on the pattern in which an asset's future economic benefits or services potential are expected to be consumed by the Municipality.

1.5 Heritage assets

Assets are resources controlled by an municipality as a result of past events and from which future economic benefits or service potential are expected to flow to the municipality.

Carrying amount is the amount at which an asset is recognised after deducting accumulated impairment losses.

Class of heritage assets means a grouping of heritage assets of a similar nature or function in an municipality's operations that is shown as a single item for the purpose of disclosure in the financial statements.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Accounting Policies

1.5 Heritage assets (continued)

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

An impairment loss of a cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.

An impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

An inalienable item is an asset that a municipality is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

Recoverable amount is the higher of a cash-generating asset's net selling price and its value in use.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Value in use of a cash-generating asset is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Value in use of a non-cash-generating asset is the present value of the asset's remaining service potential.

1.6 Financial instruments

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

A financial asset is:

- ☐ cash;
- ☐ a residual interest of another entity; or
- ☐ a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial liability is any liability that is a contractual obligation to:

- ☐ deliver cash or another financial asset to another entity; or
- ☐ exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class

Trade and other receivables
Other receivables from non-exchange transactions
Cash and cash equivalent
Other financial assets

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class

Other financial liabilities
Trade and other payables

Category

Financial asset measured at amortised cost
Financial asset measured at amortised cost
Financial asset measured at amortised cost
Financial asset measured at amortised cost

Category

Financial liability measured at amortised cost
Financial liability measured at amortised cost

Accounting Policies

1.6 Financial instruments (continued)

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The entity measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value]

The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately. The entity accounts for that part of a concessionary loan that is:

Cash and cash equivalent

These are initially and subsequently recorded at fair value. For cashflow purposes, cash and cash equivalent includes cash on hand, deposits held at call accounts with banks, other short-term highly liquid investment with original maturities of three months or less, and overdrafts. These are subject to a significant risk of changes in value.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- ☐ Financial instruments at fair value.
- ☐ Financial instruments at amortised cost.
- ☐ Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique.

The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, an municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

Accounting Policies

1.6 Financial Instruments (continued)

Reclassification

The entity does not reclassify a financial instrument while it is issued or held unless it is:

- ☐ combined instrument that is required to be measured at fair value; or
- ☐ an investment in a residual interest that meets the requirements for reclassification.

Where the entity cannot reliably measure the fair value of an embedded derivative that has been separated from a host contract that is a financial instrument at a subsequent reporting date, it measures the combined instrument at fair value. This requires a reclassification of the instrument from amortised cost or cost to fair value.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the entity reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Accounting Policies

1.6 Financial instruments (continued)

Derecognition

Financial assets

The entity derecognises a financial asset only when:

- ☐ the contractual rights to the cash flows from the financial asset expire, are settled or waived;
 - ☐ the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
 - ☐ the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.
- In this case, the entity :
- derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Presentation

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

1.7 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Accounting Policies

1.7 Leases (Continued)

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

Any contingent rent is recognized separately as an expense when paid or payable and are not straight-lined over the lease term.

1.8 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- ☐ distribution at no charge or for a nominal charge; or
- ☐ consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

Water is regarded as inventory when the municipality purchases water in bulk with the intention to resell it to consumers or to use it internally, or where the municipality has incurred purification costs on water obtained from natural resources (e.g. rain, rivers, springs, boreholes etc.). However, water in dams that are filled by natural resources and that has not yet been treated, and is under the control of the municipality but cannot be measured reliably as there is no cost attached to the water, and it is therefore not recognised in the statement of financial position.

The basis of determining the cost of water purchased and not yet sold at statement of financial position date comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventory to its present location and condition, net of trade discounts and rebates.

Water is valued by using the weighted average method, at the lowest of purified cost and net realisable value, insofar as it is stored and controlled in reservoirs at year-end.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs. Unsold properties are measured fair value at date of valuation roll

Accounting Policies

1.9 Related parties

Individuals as well as their close family members, and/or entities are related parties if one of the party has the ability, directly or indirectly to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel is defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

1.10 Impairment of cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- (a) the period of time over which an asset is expected to be used by the municipality; or
- (b) the number of production or similar units expected to be obtained from the asset by the municipality.

Identification

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use. When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

Irrespective of whether there is any indication of impairment, the municipality also test a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life. When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Accounting Policies

Recognition and measurement (cash-generating unit)

1.10 Impairment of cash-generating assets (continued)

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality uses management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- ☐ the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- ☐ the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- ☐ its fair value less costs to sell (if determinable);
- ☐ its value in use (if determinable); and
- ☐ zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Reversal of impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Accounting Policies

1.10 Impairment of cash-generating assets (continued)

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit. In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- ☐ its recoverable amount (if determinable); and
- ☐ the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.11 Impairment of non-cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- (a) the period of time over which an asset is expected to be used by the municipality; or
- (b) the number of production or similar units expected to be obtained from the asset by the municipality.

Identification

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

Accounting Policies

1.11 Impairment of non-cash-generating assets (Continued)

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss. An impairment loss is recognized immediately.

An impairment loss is recognized immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cashgenerating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.12 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of an municipality after deducting all of its liabilities.

1.13 Employee benefits

1.14 Provisions and contingencies

Provisions are recognised when:

- ☐ the municipality has a present obligation as a result of a past event;
- ☐ it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- ☐ a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Accounting Policies

1.14 Provisions and contingencies (Continued)

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

1.15 Revenue from exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Measurement

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- ☐ the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- ☐ the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- ☐ the amount of revenue can be measured reliably;
- ☐ it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- ☐ the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- ☐ the amount of revenue can be measured reliably;
- ☐ it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- ☐ the stage of completion of the transaction at the reporting date can be measured reliably; and
- ☐ the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by surveys of work performed.

Accounting Policies

1.15 Revenue from exchange transactions (Continued)

Service revenue relating to water are recognized based on consumption. Meters are read on a monthly basis and are recognized as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognized as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognized as revenue in the invoicing period.

Service revenue relating to refuse removal are recognized on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service revenue relating to sewerage and sanitation are based on the number of sewerage connections on each developed property using tariffs approved from Council and are levied monthly.

Service revenue from the application of the approved tariff of charge is recognized when the relevant service is rendered by applying the relevant gazetted tariff.

Revenue from public contributions are recognized when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment is brought into use. Where public contributions have been received, but the municipality has not met the condition, a liability is recognized.

1.16 Revenue from non-exchange transactions

Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognized as revenue to the extent that the municipality has complied with any of the conditions embodied in the agreement. To the extent that the conditions have not been met a liability is recognized.

1.17 Borrowing costs

1.18 Comparative and budget information

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.18.1 Current year comparatives

The municipality has presented its comparison of budget amounts on a separate sheet called statement of comparison of budget and actual amounts refer page 9 -10 currently presented in accordance with standard of GRAP . The comparison of budget and actual amounts presents separately each level of legislative oversight :

the approved budget and the final budget for the year ending 30 June 2013

the actual amount on a comparable basis,

by way of a note REFER to appendix E an explanation of material difference between the budget which the municipality held it publicly accountable and the actual amount,

1.18.2 Prior period comparatives

When the presentation, or classification of items in the annual financial statements is amended , prior period comparatives amounts are reclassified. The Nature and the reason for the reclassification are disclosed

Accounting Policies

1.19 Unauthorised expenditure

Unauthorised expenditure means:

- ☐ overspending of a vote or a main division within a vote; and
- ☐ expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.20 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.21 Irregular expenditure

Irregular expenditure as defined in section 1 of the MFMA in relation of the Municipality or Municipal entity ,means -

- (a) Expenditure incurred by the Municipality or Municipal entity in contravention of,or that is not in accordance with,a requirement of this act, and which has not been condoned in terms of section 170;
- (b) Expenditure incurred by a municipality in contravention of,or that is not in accordance with,a requirement of the remuneration of Public office bearer Act,1998(Act No.20 of 1998); or
- (c) Expenditure incurred by a municipality or municipal entity in contravention of,or that is not in accordance with,a requirement of the supply chain management policy of the municipality 's by law giving effect to such policy , and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which which falls within the definition of unauthorized expenditure. .

Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Irregular expenditure that was incurred and identified during the current financial year and which was condoned before year end and/or before finalization of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, the note to the financial statements must be updated to reflect this.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the

Accounting Policies

1.22 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

1.23 Capital Commitments

Items are classified as commitments where the Municipality commits itself to future transactions that will normally result in the outflow of resources.

Capital commitments are not recognized in the statement of financial position as a liability but are included in the disclosure notes in the following cases:

- ☐ Approved and contracted commitments, where the expenditure has been approved and the contract has been awarded at the reporting date, where disclosure is required by a specific standard of GRAP.
- ☐ Items are classified as commitments where the municipality commits itself to future transactions that will normally result in the outflow of resources.
- ☐ Contract that are entered into before the reporting date, but goods and services have not yet been received are disclosed in the disclosure notes to the financial statements.
- ☐ Other commitments for contracts be non-cancellable or only cancellable at significant cost contracts should relate to something other than the business of the municipality.

1.24 TREATMENT OF ADMINISTRATION AND OTHER OVERHEAD EXPENSES

The costs of internal support services are transferred to the various services and departments to whom resources are made available.

1.25 Value Added Tax

The municipality is registered with the South African Revenue Service (SARS) for VAT on the cash basis and is liable to account for VAT at the standard rate of 14% in terms of section 7(1)(a) of the VAT Act in respect of the supply of goods or services, except for where the supplies are specifically zero-rated or exempted in terms of section 12 and 11 of the VAT Act respectively, or the supplies are scoped out for VAT purposes. The entity accounts for VAT on a monthly basis.

1.26 Employee Benefits

Short-term Employee benefits

Remuneration to employees is recognised in the Statement of Financial Performance as the services are rendered, except for non-accumulating benefits which are only recognised when specific events occur

The municipality has opted to treat its provision for leave as an accrual,

The cost for all short-term employee benefits such as leave pay, are recognised during the period in which the employee renders the related service. The liability for leave pay is based on the total accrued leave days (maximum 48) at year end and is shown as accruals in the Statement of Financial Position.

Defined Benefit Plans

Long-Service Awards

The municipality has an obligation to provide Long-Service Awards benefits to all its employees. According to the rules of the Long-Service Awards, which the municipality instituted and operates, an employee (who is on the current Conditions of Service) is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service.

The municipalities liability is based on actuarial valuation.

Actuarial gains and losses on the long-term incentives are accounted through the Statement of Financial Performance

Notes to the Annual Financial Statements

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
<input type="checkbox"/> GRAP 25: Employee benefits	01 April 2013	
<input type="checkbox"/> GRAP 1 (as revised 2012): Presentation of Financial Statements	01 April 2013	
<input type="checkbox"/> GRAP 3 (as revised 2012): Accounting Policies, Change in Accounting Estimates and Errors	01 April 2013	
<input type="checkbox"/> GRAP 7 (as revised 2012): Investments in Associates	01 April 2013	
<input type="checkbox"/> GRAP 9 (as revised 2012): Revenue from Exchange Transactions	01 April 2013	
<input type="checkbox"/> GRAP 12 (as revised 2012): Inventories	01 April 2013	
<input type="checkbox"/> GRAP 13 (as revised 2012): Leases	01 April 2013	
<input type="checkbox"/> GRAP 16 (as revised 2012): Investment Property	01 April 2013	
<input type="checkbox"/> GRAP 17 (as revised 2012): Property, Plant and Equipment	01 April 2013	
<input type="checkbox"/> GRAP 27 (as revised 2012): Agriculture (Replaces GRAP 101)	01 April 2013	
<input type="checkbox"/> GRAP 31 (as revised 2012): Intangible Assets (Replaces GRAP 102)	01 April 2013	
<input type="checkbox"/> IGRAP 16: Intangible assets website costs	01 April 2013	
<input type="checkbox"/> IGRAP 1 (as revised 2012): Applying the probability test on initial recognition of revenue	01 April 2013	

2.2 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2015 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
<input type="checkbox"/> GRAP 18: Segment Reporting	01 April 2015	
<input type="checkbox"/> GRAP 105: Transfers of functions between entities under common control	01 April 2015	
<input type="checkbox"/> GRAP 106: Transfers of functions between entities not under common control	01 April 2015	
<input type="checkbox"/> GRAP 107: Mergers	01 April 2015	
<input type="checkbox"/> GRAP 20: Related parties	01 April 2016	
<input type="checkbox"/> IGRAP 11: Consolidation – Special purpose entities	01 April 2015	
<input type="checkbox"/> IGRAP 12: Jointly controlled entities – Non-monetary contributions by ventures	01 April 2015	
<input type="checkbox"/> GRAP 6 (as revised 2010): Consolidated and Separate Financial Statements	01 April 2015	
<input type="checkbox"/> GRAP 7 (as revised 2010): Investments in Associates	01 April 2015	
<input type="checkbox"/> GRAP 8 (as revised 2010): Interests in Joint Ventures	01 April 2015	
<input type="checkbox"/> GRAP 32: Service Concession Arrangements: Grantor	01 April 2016	
<input type="checkbox"/> GRAP 108: Statutory Receivables	01 April 2016	
<input type="checkbox"/> IGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset	01 April 2016	
<input type="checkbox"/> DIRECTIVE 11: Changes in measurement bases following the initial adoption of Standards of GRAP	01 April 2016	

Moses Kotane Local Municipality
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Financial Statements for the year ended 30 June 2016

Notes to the Financial Statements

Figures in Rand

3. Property, plant and equipment

	2016				2015			
	Cost/ Valuation	Accumulated depreciation and impairment	Carrying value		Cost/ Valuation	Accumulated depreciation and impairment	Carrying value	
Land	24 031 449	-	24 031 449		13 026 149	-	13 026 149	
Buildings	37 604 637	-7 908 430	29 696 207		37 604 637	-7 577 231	30 027 406	
Infrastructure	1 683 300 149	-774 350 646	908 949 503		1 554 863 047	-752 766 200	802 096 847	
Community	185 185 195	-35 080 939	150 094 256		162 161 927	-33 973 457	128 188 470	
Other property, plant and equipment	161 385 697	-55 491 642	105 894 055		112 141 913	-48 085 997	64 055 916	
Total	2 081 507 127	-872 841 657	1 218 665 470		1 879 787 673	-842 402 885	1 037 384 788	

Reconciliation of property, plant and equipment - 2016

	Opening Balance	Prior year corrections	Additions	Disposals	Transfers	Prior year corrections	Disposals	Total
Land	13 026 149	-	-	-	11 005 300	-	-	24 031 449
Buildings	30 027 406	20 411 787	138 197 788	(658 092)	(29 514 380)	549 223	516 556	29 696 207
Infrastructure	802 096 847	29 303 715	29 303 715	(658 092)	(8 280 449)	15 745 765	516 556	908 949 505
Community	128 188 470	6 139 310	43 104 474	(658 092)	(24 785 529)	16 284 988	516 556	150 094 254
Other property, plant and equipment	64 055 916	26 551 097	210 605 975	(658 092)	(24 785 529)	16 284 988	516 556	105 894 055
Total	1 037 384 788	26 551 097	210 605 975	(658 092)	(24 785 529)	16 284 988	516 556	1 218 665 470

Moses Kotane Local Municipality

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Financial Statements for the year ended 30 June 2016

Notes to the Financial Statements

Figures in Rand

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2015

	Opening Balance	Additions	Prior Year Corrections	Disposals	Transfers	Depreciation	Other Depreciation	Total
Land	13 026 149	-	-	-	-	-	-	13 026 149
Buildings	30 901 651	52 563	-	-	-	-922 981	-3 827	30 027 406
Infrastructure	750 457 240	107 694 919	117 151	-4 114 626	-	-49 075 852	-2 981 985	802 096 847
Community	116 945 264	15 892 143	-	-	-	-4 616 579	-32 358	128 188 470
Other property, plant and equipment	30 284 536	45 108 331	-750	-87 246	-1 619 801	-9 629 154	-	64 055 916
	941 614 840	168 747 956	116 401	-4 201 872	-1 619 801	-54 244 566	-3 018 170	1 037 394 788

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality

4. Heritage Assets

	2016		2015	
	Cost/ Valuation	Accumulated depreciation ± value Accumulated impairment	Cost/ Valuation	Accumulated depreciation and impairment Carrying value
Sculpture	14 000		14 000	14 000
Reconciliation of heritage assets 2016				
		Opening balance	Opening balance	Total
Sculpture		14 000	14 000	14 000
Reconciliation of heritage assets 2015				
		Opening balance	Opening balance	Total
Sculpture		14 000	14 000	14 000

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Notes to the Financial Statements

Figures in Rand	Note(s)	2016	2015
			Re Stated
5. Inventories			
Maintenance Materials - at Cost		8 305 971	4 893 741
Water at Cost		64 372	
Unsold Properties held for resale			11 005 300
		8 370 343	15 899 041

6. Receivables from exchange transactions

Other receivables 1	89 919	89 919
Bakwena Systems - Photo Copiers	2 066 941	2 745 487
	2 156 860	2 835 406

7. Receivables from non-exchange transactions

Fines	185 146	178 657
Other receivables from non-exchange revenue	12 784 057	11 532 891
	12 969 203	11 711 548

Traffic Fines**7.1 Traffic fines debtors**

Opening balance	178 657	852 393
Hand and Camera issued fines	4 642 651	1 204 300
Payments received	-192 660	-197 620
Debt impairment	-4 443 502	-1 680 416
	185 146	178 657

Moses Kotane Local Municipality**Demarcation Code NW375**

Financial Statements for the year ended 30 June 2016

Notes to the Financial Statements

Figures in Rand	Note(s)	2016	2015 Re Stated
8. Consumer debtors			
Gross balances			
Rates		168 761 315	193 648 236
Water		250 930 645	179 817 579
Sanitation		39 247 331	8 851 524
Refuse		10 184 417	29 851 727
Water consumption from last reading until 30		2 132 107	7 963 626
		471 255 815	420 132 692
Less Allowance for impairment			
Rates		-23 906 675	(81 434 589)
Water		-205 995 916	(96 911 851)
Sanitation		-38 315 983	(2 293 358)
Refuse		-8 329 318	(11 802 432)
		-276 547 892	(192 442 230)
Net balance			
Rates		144 854 640	112 213 647
Water		44 934 729	82 905 728
Sanitation		931 349	6 558 166
Refuse		1 855 099	18 049 295
Water consumption from last reading until 30		2 132 107	7 963 626
		194 707 924	227 690 462
Rates			
Current (0 -30 days)		19 302 111	104 916 910
31-60 days		6 396 093	2 608 673
61 - 90 days		6 342 998	2 025 220
91 - 120 days		5 939 358	1 945 044
121 > 365 days		130 780 755	82 152 389
Less Provision		-23 906 675	(81 434 589)
		144 854 640	112 213 647
Water			
Current (0 -30 days)		13 648 922	12 319 601
31 - 60 days		8309156	7 383 275
61 - 90 days		7 508 041	7 622 074
91 - 120 days		7842574	6 619 569
121 - 365 days		213 621 952	145 873 060
Less Provision		205 995 916	(96 911 851)
		44 934 729	82 905 728

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Financial Statements for the year ended 30 June 2016

Notes to the Financial Statements

Figures in Rand	Note(s)	2016	2015 Re Stated
8. Consumer debtors (continued)			
Sewerage			
Current (0 -30 days)		354 459	310 147
31 - 60 days		202 334	159 612
61 - 90 days		151 813	200 195
91 - 120 days		142 507	179 099
121 >365 days		9 333 303	8 002 471
Less Provision		-8 329 318	(2 293 358)
		1 855 098	6 558 166
Refuse			
Current (0 -30 days)		906 328	781 617
31 - 60 days		892 624	758 955
61 - 90 days		884 769	758 300
91 - 120 days		878 386	750 768
121 - 365 days		35 685 224	26 802 087
Less Provision		-38 315 983	(11 802 432)
		931 348	18 049 295
Water consumption from last readings			
Current (0 -30 days)		2 132 107	7 963 626
Summary of debtors by customer			
Consumers			
Current (0-30days)		11 194 912	9 270 063
31 - 60 days		8 917 921	6 992 083
61 - 90 days		8 624 106	7 580 022
91 - 120 days		8 873 363	6 819 445
121 - 365 days		242 535 095	165 751 091
		280 145 397	196 412 704
Less: Allowance for impairment		-276 547 891	(192 442 230)
		3 597 506	3 970 474

Moses Kotane Local Municipality**Demarcation Code NW375**

Financial Statements for the year ended 30 June 2016

Notes to the Financial Statements

Figures in Rand	Note(s)	2016	2015
			Re Stated
8. Consumer debtors (continued)			
Summary of debtors by customer			
Industrial/ commercial			
Current (0-30days)		6 161 781	6 369 253
31 - 60 days		2 966 401	2 712 919
61 - 90 days		1 973 142	2 384 456
91 - 120 days		1 891 094	2 004 691
121 - 365 days		97 243 879	80 601 523
		110 236 297	94 072 842
National and Provincial Government			
Current (0-30days)		16 855 128	102 506 127
31 - 60 days		3 915 885	1 206 276
61 - 90 days		4 290 373	642 207
91 - 120 days		4 038 368	672 176
121 - 365 days		49 642 260	16 656 733
		78 742 014	121 683 519
Total			
Current (0-30days)		34 211 821	118 145 443
31 - 60 days		15 800 207	10 911 278
61 - 90 days		14 887 622	10 606 684
91 - 120 days		14 802 825	9 496 312
121 - 365 days		389 421 234	263 009 347
Water consumption from last reading until 30		2 132 107	7 963 627
		471 255 816	420 132 691
Less: Allowance for impairment		276 547 891	(192 442 230)
		194 707 925	227 690 461
Less: Allowance for impairment			
121 - 365 days			(192 442 230)
Reconciliation of allowance for impairment			
Balance at beginning of the year		-192 442 230	(133 331 343)
Contributions to allowance		-84 105 661	(59 110 887)
Debt impairment written off against allowance			
		-276 547 891	(192 442 230)

Moses Kotane Local Municipality**Demarcation Code NW375**

Financial Statements for the year ended 30 June 2016

Notes to the Financial Statements

Figures in Rand	2016	2015 Re Stated
9. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	20 000	20 000
Bank balances	20 688 339	11 346 756
Call investment deposits	87 302 904	74 116 707
Fixed Deposits - 12 Months	27 265 399	249 802
	135 276 642	85 733 265

Securities Held at ABSA

The municipality have a special notarial bond dated 10/12/2012 on the movable equipment.

There is also a unlimited cession dated 23/11/2001 of income streams

First CCMB dated 27/06/2007 for R1 520 000 over stand 739 Mogwase Unit 2

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cashbook balances		
	30 June 2016	30 June 2015	30 June 2014	30 June 2016	30 June 2015	30 June 2014
ABSA Rustenburg Branch	20 249 250	11 380 943	11 902 659	19 649 624	10 592 629	17 430 483
Account number: 405 041 4471						
Capital Replacement Reserve	10 279 104	27 450 737	18 105 823	10 279 104	27 450 737	18 105 823
Account number: 92 9306 8882						
Housing Account - Account type	407 697	338 701	782 441	407 697	338 701	782 441
Account number: 405 921 9109						
Traffic Account	631 018	415 426	208 317	631 018	415 426	208 317
Account number: 407 011 8019						
Petty cash	20 000	-	-	20 000	20 000	20 000
MKLM call account	31 460 316	12 454 016	75 719 605	31 460 316	12 454 016	75 719 605
Account number: 90 5777 9477						
Housing Subsidy account	-	9 404	9 021	-	9 404	9 021
Account number: 40 6782 2645						
MIG call account	40 222 095	28 816 714	48 975 669	40 222 095	28 816 714	48 975 669
Account number: 40 6677 8588						
Civic Centre call account	-	70 649	4 451 806	-	70 649	4 451 806
Account No 40 6723 1195						
Water and Sanitation call account	-	194 725	186 841	-	194 725	186 841
Account number: 40 7270 1220						
Ledig Reservoir - Water Projects	5 341 389	5 120 462		5 341 389	5 120 462	
Account number: 40 8525 7086						
ABSA Rustenburg Branch	265 399	249 802	236 869	265 399	249 802	236 869
Fixed Deposit - Eskom 12 Months						
Account number: 20 6225 0801						
Nedbank	27 000 000			27 000 000		
Fixed Deposit - 12 Months						
Account number: 03 7881 1123028						
Total	135 876 268	86 501 579	160 579 051	135 276 642	85 733 265	166 126 875

An amount of R107 700 of the ABSA fixed deposit investment is ceded to Eskom serving as a electricity deposit at the Civic Centre.

The balance for prior year has been re stated due to the fixed deposit at ABSA which is for 12 months and therefore a current investment

The balance has been re stated with the amount of 249 802

Moses Kotane Local Municipality
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Financial Statements for the year ended 30 June 2016

Notes to the Financial Statements

Figures in Rand	Note(s)	2016	2015 Re Stated
10. Finance Lease Obligation			
10.1 Capital Finance Lease obligations			
Minimum lease payments due			
within one year			
IT Equipment		3 581 744	4 161 038
Vehicles		1 184 321	1 095 978
		4 766 065	5 257 016
in second year to fifth year inclusive			
IT Equipment			3 527 871
Vehicles		1 533 386	2 709 217
		1 533 386	6 237 088
Non-current liabilities		1 533 386	6 237 088
Current liabilities		4 766 065	5 257 016
		6 299 451	11 494 104
Lease capitalisation			
Opening balance		11 494 104	15 328 528
Redeemed (written-off during the year)		-5 194 653	-3 834 424
		6 299 451	11 494 104

The average lease term is between 3 to 5 years and the average effective borrowing rate was between 6,1 and 9,5%

Interest dates are coupled to prime and CPI Index at the contract date.

The municipality's obligation under finance leases are secured by the lessor's charge over the leased assets.

10.2 Operating Finance Lease Obligations

Minimum lease payments due

within one year

Security Services	22 073 080	
Maintenance of IT Software	14 696 406	18 633 765
Maintenance of Mogwase Landfill Site	5 753 029	
Refuse Removal	22 290 384	
Call Centre	5 254 174	
Security Services Fidelity Cash Management	531 312	513 773
	70 598 385	18 633 765

in second year to fifth year

Security Services		
Maintenance of IT Software	39 654 844	14 696 406
Maintenance of Mogwase Landfill Site	6 646 496	
Refuse Removal	31 770 401	
Call Centre	7 010 443	
Security Services Fidelity Cash Management		531 312
	85 082 184	14 696 406

Moses Kotane Local Municipality**Demarcation Code NW375**

Financial Statements for the year ended 30 June 2016

Notes to the Financial Statements

Figures in Rand	Note(s)	2016	2015
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11. Unspent conditional grants and receipts**Conditional Grants from other spheres of Government**

MIG grants	14 441 346	2 074 386
Mogwase Library Grant	233 706	127 621
Mogwase Library		58 385
EDMS Grant		226 694
Disaster Grant		100 000
EPWP	0	
Total contribution grants and receipts	14 675 052	2 587 086

Movement during the year

Balance at the beginning of the year	2 587 086	23 575 846
Additions during the year	14 675 052	
Spent during the year	-2 587 086	-20 988 760
	14 675 052	2 587 086

The nature and extent of government grants recognised in the financial indication of other forms of government assistance from which the municipality has

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

See note for reconciliation of grants from National/Provincial Government

These amounts are invested in a ring-fenced

12. Other financial liabilities**At amortized cost**

ABSA annuity loan	9 951 426	10 985 320
INCA annuity loan	21 416 206	24 696 112
DBSA annuity loan	30 317 324	33 018 491
	61 684 956	68 699 923

Total other financial liabilities	61 684 956	68 699 923
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Non-current liabilities

At amortized cost	53 818 653	61 682 457
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Current liabilities

At amortized cost	7 866 303	7 017 466
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Finance Lease Liabilities relates to Vehicles and IT Equipment with lease terms of 5 (2012:5) years

The effective interest rate of Finance Leases is 8,25%. Capitalised Lease Liabilities are secured over the terms of vehicles and equipment is leased.

Other loans are repaid over a period of 10 to 20 years at interest rates varying from 8,8% to 14% per annum.

The management of the municipality is of the opinion that the carrying value of the Long-term Liabilities are recorded at amortised cost in the Annual Financial Statements approximate their fair values

Refer to Appendix 'A' for more detail on Long-term Liabilities

Moses Kotane Local Municipality**Demarcation Code NW375**

Financial Statements for the year ended 30 June 2016

Notes to the Financial Statements

Figures in Rand	Note(s)	2016	2015 Re Stated
13. Provisions			
Reconciliation of provisions - 2016			
Provision of current portion of Long service Awards		1 171 134	1 155 216
Provision of current portion of Landfill Sites		1 140 071	
		2 311 205	1 155 216
Provision of non current portion of Long service Awards		12 468 597	11 313 381
Provision of non current portion of Landfill Sites		25 277 748	20 573 941
		37 746 345	31 887 322

The municipality operates an unfunded benefit plan for all its employees. Under the plan, a Long-Term Service Award is payable after 10 years of continues service and every 5 years thereafter to employees.

The employee is granted Long-Service Award in the month that each "Completed Service" milestone is reached Working days awarded are valued at 1/250 of annual earnings per day.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2016 by Arch Actuaril Consulting CC, The present value of the benefit obligation, and the related Current Service Cost and the past service cost, were measured using the Projected Unit Credit Method.

At year end, 465 (2015: 448) employees were eligible for Long-Term Service Awards

The Current Service Cost for the year ending 30 June 2016 is estimated to be R1 218 563, whereas the cost for the ensuing year is estimated to be R1 292 827.

The principal assumption used for the purposes of the actuarial valuations were as follows:

	2016	2015
Discount Rate	8,61%	8,11%
General Earnings Inflation (long term)	7,26%	7,12%
Net effective discount rate	1,26%	0,92%
Expected rate of salary increases	6%	7%
Expected Retirement age of males and females	65	65
Pre-retirement mortality	SA85-90 Mixed Ultimate	

Moses Kotane Local Municipality**Demarcation Code NW375**

Financial Statements for the year ended 30 June 2016

Notes to the Financial Statements

Figures in Rand	Note(s)	2016	2015
			Re stated

14.1 Long-Term Service Awards Continued**Movement of eligible employees**

Number of eligible employees	465	448
Average of annual earnings	283 834	271 429
Earnings-weighted average age	44.0	43.6
Earnings-weighted average age past service	11.3	10.9

Movements in the present value of the Defined Benefit Obligation were as follows

Balance at the beginning of the year	12 468 597	11 030 900
Current service cost	1 218 563	1 051 113
Interest cost	964 685	850 362
Expected benefit vestings	-1 155 216	-1 014 864
Actuarial Loss/(Gain)	143 102	551 086
Present Value of Fund Obligation at the end of the year	13 639 731	12 468 597

Amounts recognised in the Statement of Financial Performance

Current service cost	1 218 563	1 051 113
Interest cost	964 685	850 362
Actuarial Loss/(Gain)	143 102	551 086
	2 326 350	2 452 561

The history of experienced adjustments are as follows:

	2016	Re Stated 2015	Re Stated 2014
Present value of Defined Benefit Obligation	13 639 731	12 468 597	11 030 900

The balances of the prior year provisions has be re stated as the municipality did not appoint an Actuarial for the determination of provisions regarding Long Service Awards. An Actuarial was only appointed during the 2015/2016 financial year.

14.2 Rehabilitation of Landfill Sites

The provision for the final rehabilitation and closure costs for the Madukwe and Mogwase Landfill Sites were done by Environmental & Sustainability Solutions CC.

The balances for the 2014/2015 financial year has been re stated due to the non provision for the Madikwe Landfill Site in the 2014/2015 financial year.

The principal assumption used for the purposes of the rehabilitation of the landfill sites were as follows:

	Mogwase	Madikwe
CPI	6,2064%	6,2064%
Discount rate	8,4564%	8,4564%
Nett effective discount rate	2,25%	2,25%

Notes to the Financial Statements

Figures in Rand	Note(s)	2016	Re stated 2015
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14.2 Rehabilitation of Landfill Sites Continued

The final rehabilitation and closure costs were the following:

Cost Element	Mogwase	Madikwe
Planning for Closure		
Permit application for operation to closure		0
Basic assessment for closure	4 555 058	4 555 058
Finalise end-use plan	168 500	168 500
Closure design	162 455	162 455
Rehabilitation and closure		
Clearing, shaping and compacting	51 854	77 952
Capping	675 639	507 840
Top-soiling and vegetating	353 465	265 680
Storm water control system	46 209	34 733
Leachate seepage control system	189 026	142 080
Gas control system	0	0
Fencing	0	0
Post-closure monitoring and maintenance		
Water monitoring	0	0
Gas monitoring	0	0
Rehabilitation monitoring	112 932	112 932
Maintenance of cover, subsidence and drainage	414 090	414 090
Fire control and vegetation maintenance	229 941	229 941
On-going leachate management	43 875	43 875
On-going gas management	36 891	36 891
Total cost	7 039 935	6 752 027

Amounts recognised in the Statement of Financial Performance

Change in landfill closure provision	-184 433	-288 872
Interest charge	282 114	384 527
Total Change	97 681	95 655
	2016	2015

Movements in net Liability of the landfill Site were

Madikwe		
Balance at the beginning of the year	4 610 842	4 515 187
Change in landfill closure provision	-184 433	-288 872
Interest charge	282 114	384 527
Balance at the end of the year	4 708 523	4 610 842

Mogwase new Landfill Site		
Balance at the beginning of the year	0	0
Change in landfill closure provision	4 703 807	0
Interest charge	0	0
Balance at the end of the year	4 703 807	0

Mogwase old Landfill Site		
Balance at the beginning of the year	15 963 099	15 874 545
Change in landfill closure provision	1 042 390	88 554
Interest charge	0	0
Balance at the end of the year	17 005 489	15 963 099

Summary of Landfill Sites provisions

Balance at the beginning of the year	20 573 941	20 389 732
Change in landfill closure provision	5 561 764	-200 318
Interest charge	282 114	384 527
Balance at the end of the year	26 417 819	20 573 941

Moses Kotane Local Municipality**Demarcation Code NW375**

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Notes to the Financial Statements

Figures in Rand	Note(s)	2016	2015 Re Stated
15. Payables from exchange transactions			
Accrued Leave		20 218 390	18 835 093
Trade payables		20 928 677	24 422 201
Payments received in advance		16 236 389	12 242 105
Retention		20 365 152	20 879 944
Housing - PHP		410 214	342 439
Other payables suspense		59 770	1 194 395
		78 218 592	77 916 177

The provision for accrued leave of employees of the council is based on the actual leave days available at the reporting date calculated on the annual actual package of each employee

16. Revenue

Service charges	132 747 088	127 753 041
Commissions received	121 027	105 115
Rental income	26 196	5 287
Sale of stands/land	9 000	0
Other income - (rollup)	1 382 784	1 137 420
Interest received - investments	52 207 237	33 161 846
Property rates	97 112 317	65 624 393
Government grants and subsidies	463 233 033	431 618 736
Fines	4 642 650	1 204 300
	751 481 332	660 610 138

The amount included in revenue arising from exchanges of goods or services are as follows:

Service charges	127 220 267	127 753 041
Commissions received	121 027	105 115
Rental income	26 196	5 287
Sale of stands/land	9 000	0
Other income - (rollup)	1 382 784	1 137 420
Interest received - investments	52 207 237	33 161 846
	180 966 511	162 162 709

The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue

Property rates	97 112 317	65 624 393
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Transfer revenue

Government grants and subsidies	463 233 033	431 618 736
Fines	4 642 650	1 204 300
	564 988 000	498 447 429

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Notes to the Financial Statements

Figures in Rand	Note(s)	2016	2015 Re Stated
17. Property rates			
Rates received			
Residential		7 739 888	604 057
Commercial		4 905 187	5 653 630
State		57 076 222	33 399 563
Assessment rates: Game reserves and Holiday		25 606 464	24 097 680
Assessment rates: Mining		1 784 556	1 683 448
Total property rates		97 112 317	65 438 378

Valuations

Residential	1 037 742 200	928 262 500
Commercial	290 608 100	1 035 309 800
Industrial	29 511 200	27 936 200
State	1 009 147 001	788 676 907
Churches	12 283 400	11 442 000
Mining	25 277 000	
Other Holiday resorts	21 509 000	178 590 000
Sun City	535 850 000	535 850 000
Municipal	30 197 000	35 157 700
Farms and tribal land	1 008 641 400	1 513 062 100
Eskom Servitudes	20 895 000	16 170 000
Vacant Land	169 193 900	
PSI	8 265 100	12 992 100
	4 199 120 301	5 083 449 307

The new general valuation was implemented with effective from July 2012 and its validity expires in June 2016.

18. Service charges

Sale of water	97 070 397	102 913 956
Sewerage and sanitation charges	2 566 959	2 854 720
Refuse removal	27 582 911	21 933 150
	127 220 267	127 701 826

19. Government grants and subsidies**Operating grants**

Equitable share	322 570 000	275 714 000
Finance Management Grant	1 600 000	1 600 000
Expanded Public Works Programme Grant	1 446 000	1 845 000
DWA Operating and Maintenance Grant	12 500 000	15 199 975
Municipal System Improvement Grant	930 000	934 000
Mogwase Library Grant	952 300	530 679
Disaster Management Grant		0
EEDMS Grant	226 694	3 773 306
	340 224 994	299 596 960

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Financial Statements for the year ended 30 June 2016

Notes to the Financial Statements

Figures in Rand	Note(s)	2016	2015
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19. Government grants and subsidies (continued)**Capital grants**

Government grant (capital)	119 743 936	128 836 977
Project Management Unit	3 264 103	3 184 798
	123 008 039	132 021 775
	463 233 033	431 618 735

Conditional and Unconditional

Included in the above are the following grants and subsidies received:

Conditional grants received	140 663 033	155 904 735
Unconditional grants received	322 570 000	275 714 000
	463 233 033	431 618 735

MIG Grant

Balance unspent at beginning of year	2 074 386	23 259 161
Current-year receipts	135 375 000	110 837 000
Conditions met - transferred to revenue	-123 008 039	(132 021 775)
	14 441 347	2 074 386

Conditions still to be met - remain liabilities (see note 12).

Expanded Public Works Grant

Current-year receipts	1 446 000	1 845 000
Conditions met - transferred to revenue	-1 446 000	(1 845 000)
	0	-

Conditions still to be met - remain liabilities (see note 12).

Mogwase Library Grant

Balance unspent at beginning of year	127 621	258 300
Current-year receipts	1 000 000	400 000
Conditions met - transferred to revenue	-893 416	(530 679)
	234 205	127 621

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Financial Statements for the year ended 30 June 2016

Notes to the Financial Statements

Figures in Rand	Note(s)	2016	2015
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19. Government grants and subsidies (continued)**Mogwase Libraries Grant**

Balance unspent at beginning of year		58 385	58 385
Current-year receipts			
Conditions met - transferred to revenue		-58 385	
		0	58 385

Conditions still to be met - remain liabilities (see note

Municipal System improvement Grant

Current-year receipts		930 000	(934 000)
Conditions met - transferred to revenue		-930 000	934 000
		0	-

Conditions still to be met - remain liabilities (see note

Finance Management Grant

Current-year receipts		1 600 000	(1 600 000)
Conditions met - transferred to revenue		-1 600 000	1 600 000
		0	-

Conditions still to be met - remain liabilities (see note

DWA Operating Grant

Current-year receipts		12 500 000	(7 500 000)
Conditions met - transferred to revenue		-12 500 000	7 500 000
		0	-

Conditions still to be met - remain liabilities (see note

EDMS

Balance unspent at beginning of year		226 694	
Current-year receipts			4 000 000
Conditions met - transferred to revenue		-226 694	(3 773 306)
		0	226 694

Conditions still to be met - remain liabilities (see note 12).

Moses Kotane Local Municipality**Demarcation Code NW375**

Financial Statements for the year ended 30 June 2016

Notes to the Financial Statements

Figures in Rand	Note(s)	2016	2015
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19. Government grants and subsidies (continued)**Disaster Management grant**

Balance unspent at beginning of year		100 000	
Current-year receipts			100 000
Conditions met - transferred to revenue		-100 000	
		0	100 000

Conditions still to be met - remain liabilities (see note 12).

Water conservation/Demand management

Current-year receipts			-7 699 975
Conditions met - transferred to revenue			7 699 975
			0

Conditions still to be met - remain liabilities (see note 12).

20. Other income

Advertising signs/Displays	21 584	17 717
Building inspection plan fees	325 255	82 727
Burial fees	24 645	21 497
Clearance certificate	14 861	8 875
Water connection fees	50 958	43 492
Sundry income	149 940	367 005
Tender document sales	644 400	418 571
Refund LGSETA	119 798	169 321
Surplus on inventory		0
Photo copies	29 060	5 000
Blocked drains	1 116	2 315
Valuations certificates	1 167	901
	1 382 784	1 137 421

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Financial Statements for the year ended 30 June 2016

Notes to the Financial Statements

Figures in Rand	Note(s)	2016	2015 Re Stated
21. General expenses			
Accounting Fees		2 828 792	3 023 957
Advertising		732 122	1 005 802
Bank charges		150 321	117 005
Consulting and professional fees		14 979 538	17 487 605
Consumables		702 466	112 087
Entertainment		1 061 631	2 098 152
Ammunition		0	11 430
Insurance General		1 038 451	400 032
Community development and training		129 926	143 434
Conferences and seminars		1 277 364	1 700 781
Gender and Children Programme		450 527	326 027
Fleet		9 113 669	7 313 002
Marketing		332 322	76 175
Magazines, books and periodicals		5 065	4 198
Medical expenses		0	500
IDP Review		2 098 674	2 402 822
Indigent - Free basic services		39 010 320	32 764 291
Postage and courier		93 563	108 090
Printing and stationery		2 263 644	1 637 636
Labour Relation		250 600	339 255
Protective clothing		2 280 715	157 518
HIV/ AIDS Campaign		214 462	231 961
Letsema		192 787	53 440
Software expenses		17 168 644	27 673 559
Subscriptions and membership fees		1 846 233	1 571 186
Telephone and fax		11 441 077	8 582 037
Training		5 204 425	15 202 429
Travel - local		3 030 541	2 324 426
Electricity		9 594 975	9 026 104
Grants Expenditure		4 806 940	4 501 706
Refreshments		2 549 877	2 291 494
Compilation of Valuation Roll		3 488 237	72 221
Quality Control		633 408	568 566
Grap Conversion		1 488 419	718 090
Physically challenged people (Disable)		248 614	26 505
Chemicals		55 767	276 717
Disaster support		395 870	198 249
Other expenses		21 276 806	16 443 867
		162 436 792	160 992 356

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Financial Statements for the year ended 30 June 2016

Notes to the Financial Statements

Figures in Rand	Note(s)	2016	2015 Re Stated
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22. Employee related costs

Basic		100 949 098	91 571 580
Acting allowance		1 457 894	
Bonus		12 125 108	5 773 565
Medical Aid - company contributions		7 417 589	6 183 583
UIF		781 949	682 419
Travel, motor car, accommodation, subsistence and		931 974	857 948
Overtime payments		6 965 095	6 247 712
Housing benefits and allowances		256 527	177 672
Housing Allowance		670 386	58 862
Pension Fund - Company Contributions		18 614 490	16 339 552
Industrial Council Levy		47 709	59 793
Standby Allowance		3 057 984	2 383 511
Cellphone allowance		6 000	6 000
Shift Allowance		151 552	109 869

Skills Development levy		1 358 555	
		154 791 910	130 452 066

Remuneration of municipal manager

Annual Remuneration	830 280	1 027 921
Car Allowance	83 974	167 948
Contributions to UIF, Medical and Pension Funds	16 910	21 814
Paid Out	-931 164	-1 217 683
	0	0

Remuneration of chief finance officer

Annual Remuneration	975 027	909 774
Car Allowance		0
Contributions to UIF, Medical and Pension Funds	204 090	192 044
Paid Out	-1 179 117	-1 101 818
	0	0

Remuneration of technical service director

Annual Remuneration	900 892	485 577
Car Allowance	144 000	96 000
Contributions to UIF, Medical and Pension Funds	1 872	1 088
Paid Out	-1 046 764	-582 665
	0	0

Moses Kotane Local Municipality**Demarcation Code NW375**

Financial Statements for the year ended 30 June 2016

Notes to the Financial Statements

Figures in Rand	Note(s)	2016	2015
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22. Employee related costs (continued)**Remuneration of corporate services director**

Annual Remuneration	802 111	744 346
Car Allowance	60 000	60 000
Contributions to UIF, Medical and Pension Funds	184 888	173 937
Paid Out	-1 046 999	-978 283
	0	0

Remuneration of community services director

Annual Remuneration	1 024 391	976 417
Car Allowance		
Contributions to UIF, Medical and Pension Funds	23 373	1 866
Paid Out	-1 047 764	-978 283
	0	0

Remuneration of planning and development director

Annual Remuneration	826 226	766 455
Car Allowance	72 000	72 000
Contributions to UIF, Medical and Pension Funds	148 538	139 828
Paid Out	-1 046 764	-978 283
	0	0

23. Remuneration of councilors

Allowance Mayor	499 069	456 541
Allowance - Single Whip	372 641	338 650
Executive Committee Member's allowance	3 576 322	3 394 810
Allowance - Speaker	411 274	377 254
Pension fund contribution	1 721 245	1 587 861
Medical Aid contribution	511 170	477 975
Travelling allowance	4 825 154	4 409 356
Councilor's allowance	7 389 081	6 628 205
Cell phone allowance	1 487 992	1 483 267
	20 793 948	19 153 919

The salaries, allowances and benefits of political office bearers and councillors of the Municipality, whether financial or in kind are within the upper limits of the framework as envisaged in section 219 of the Constitution.

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Notes to the Financial Statements

Figures in Rand	Note(s)	2016	2015 Re Stated
24. Provisions			
Contribution to Long Service Awards		1 171 134	1 437 697
Provision for landfill sites		5 843 878	184 209
		7 015 012	1 621 906
25. Debt impairment			
Debt impairment Traffic Fines Debtors		4 443 502	1 680 416
Debt impairment Consumer Debtors		77 380 935	59 110 887
		81 824 437	60 791 303
26. Interest received			
Interest revenue			
Investments		10 123 414	9 761 336
Bank		373 857	529 908
Interest charged on trade and other receivables		41 709 966	22 870 603
		52 207 237	33 161 847
27. Depreciation and amortization			
Property, plant and equipment		46 184 542	66 414 822
28. Finance costs			
Non-current borrowings		8 590 181	9 315 631
30. Contracted services			
Security services		14 575 657	40 207
Refuse removal		18 047 666	24 292 831
		32 623 323	24 333 038
31. Bulk purchases			
Water		63 205 858	55 557 172

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Notes to the Financial Statements

Figures in Rand	Note(s)	2016	2015
32. Cash generated from operations			
Surplus		124 643 447	74 363 306
Adjustments for:			
Depreciation and amortisation		46 184 428	66 414 822
Loss on sale of assets and liabilities		616 892	4 074 170
Debt impairment		81 842 437	59 110 887
Movements in provisions		2 311 205	(21 783 246)
Change in working capital:			
(Increase)/Decrease in Inventories		-7 562 884	(2 551 511)
(Increase)/Decrease in Receivables from		678 546	(1 148 350)
(Increase)/Decrease in Consumer debtors		-56 201 077	(67 444 507)
(Increase)/Decrease in Other receivables from		-1 257 655	812 273
Increase/(Decrease) in Payables from exchange		1 672 490	4 980 416
Increase/(Decrease) in VAT Payable		-4 696 785	25 506 427
Increase/(Decrease) in Unspent conditional		12 087 966	(20 988 760)
		200 319 010	121 345 927

33. Commitments**Authorized capital expenditure****Approved and contracted for**

<input type="checkbox"/> Infrastructure	13 423 552	37 662 859
<input type="checkbox"/> Community	1 017 794	585 856
Total capital commitments	14 441 346	38 248 715

This committed expenditure relates to property and will be financed by available bank facilities, retained surpluses, rights issued of shares, issue of debentures, mortgage facilities, existing cash resources, funds internally generated, and grants.

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Notes to the Financial Statements

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34. Contingencies**1.Fencecor Construction**

Fencecor Construction was a sub-contractor for construction of the new Mogwase Waste Disposal Site. Fencecor is suing the Municipality for the payment of R 2 842 111.00 which flows from a cession/direct payment agreement between the main contractor, Fencecor and the Municipality.

The Municipality is defending the matter since maximum amount of cession has already been paid and exceeded. The case is currently in Court and we are awaiting finalisation and verdict.

Case handled by Van Rooyen, Thlape, Wessels Attorneys in Mafikeng.

2. R&T Developers / Alert Steel

R&T Developers is a sub-contractor for construction of low cost housing in Unit 8 Mogwase. R&T is suing the municipality for R3 753 079 flowing from a cession/direct payment agreement between the main contractor, R&T, and the municipality.

The Municipality defended the matter based on the main contractor's contention that R&T is misrepresenting the true facts of the matter and relying on a wrong cession document. A meeting between the contractor and sub-contractor was held where documents were exchanged. The correct document indicates that the municipality is not indebted to R&T Developers. The Municipality have filed its plea in this matter and is awaiting R&T Developers to move.

3. Transnet

Transnet is being sued for R5 510 000 for damages and compensation for pain and suffering by a motorist whose car was hit by a train at the railway crossing in Mogwase. Transnet has filed an application at the Court to join the the municipality as a respondent to share in the financial liabilities if Transnet should be found to be liable.

The Municipality is defending the matter since all required responsibilities and requirements had been taken care of and set in place at the railway crossing in Mogwase. An investigation by an independent investigator found that the vehicle of the motorist was not properly maintained and that brake failure caused the accident.
(See memo of Adv.Jacobsz) the trial date in this matter. The municipality is awaiting the trial date in this matter

The case is handled by Sakkie Smith Attorneys in Mogwase.

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Contingencies Continued

5. NWDC

The Municipality is in dispute with NWDC regarding payment of property rates. NWDC owes the Municipality in excess of R15 Million from July 2002. In return NWDC claims compensation from the Municipality for infrastructure installed in Bodirelo in the 1980's to the amount of R 18 Million as well as arrear rental amounts for office accommodation in Bodirelo. The matter was referred to Provincial and National Treasury for mediation and possible arbitration.

The Municipality have reached an agreement with NWDC whereby mutual payment by the parties for their respective dues will start on the 1 October 2014. The parties are currently paying their respective dues.

The arrear amounts due still needs to be resolved and the parties will consider all options, including high level political intervention and arbitration

6. Mogwase Hardware

Mogwase Hardware has submitted a claim for R 16 000.00. The hardware store indicated that materials and goods were supplied but no payment had been received. No finer detail of order numbers or responsible municipal officials could be obtained.

They have not instituted any legal action against the Municipality yet and the matter remains unresolved.

7. Claim by former Water Board Employees

Former Water Board employees are claiming benefits that were allegedly taken away by the Municipality when they were transferred.

The matter is unresolved and is ongoing. The case will in all probability be referred to the SALGBC for conciliation/arbitration.

8. M2KS Management Consultants

Mr. Erick Matlawe of the M2KS Management Consultants is claiming R 200 000.00 from the municipality for work done on 2009. The company developed a HR strategy for the Municipality but only submitted their invoice for payment on 24 October 2012.

The Municipality raised prescription due to the very late submission of the claim and Mr. Matlawe referred the matter to the Public Protector for an alternative dispute resolution (ADR).

The Municipality attended the ADR session at the Public Protector and a settlement will be negotiated after all relevant investigations are completed by the Public Protector.

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Notes to the Financial Statements

Figures in Rand

Contingencies Continued

9. Sitona Mining

Sitona Mining is a sub-contractor of Lefika La Thaba, a contractor that was appointed by the Municipality.

Sitona is claiming an amount of R 463 525.40 plus interest and costs because they allege that the Municipality did not honour the direct payment agreement signed between all the parties.

The Municipality is defending the claim based on the fact that Sitona never submitted an invoice for payment in terms of the direct payment agreement.

10. Van Heerden Construction

Van Heerden Construction is a sub-contractor of Lefika La Thaba, a contractor that was appointed by the Municipality.

Van Heerden is claiming R 1 078 782.00. Van Heerden obtained a Court order and Writ of execution against Lefika La Thaba, Dr. Mokgothu, the owner of Lefika La Thaba as well as the Municipality.

It was established that the Municipality has an amount of R 833 000.00 left on the project.

The amount was paid over to the trust account of Sakkie Smith Attorneys for safekeeping pending finalisation of the matter. The trial date for this matter had been set for 25 August 2016 in the High Court, Mmabatho.

11. Bofaganang Women's Swimming

Bofaganang is a non-profit organisation who is doing various projects in and around the Municipality. They apply for and obtain funding from the Lotteries Board.

One such project in Tweelaagte was funded by the Lotteries Board but the money was paid into the bank account of the Municipality. The money was kept and not paid out for about 3 years. When it was eventually paid out and the necessary admin fees deducted, Bofaganang found a shortfall in the funds to the amount of R 549 314.80.

Bofaganang is now claiming the shortfall from the Municipality due to the delay in paying out their funds. No legal action has been instituted yet.

12. Department of Labour

Summons in criminal case issued against the Municipality for non-compliance with the Occupational Health and Safety Act, Act No. 85 of 1993. The Municipality faces fines exceeding R 360 000.00.

The Municipality appeared in Court on 23 June 2016 and was given 60 days to rectify all non-compliance matters

Moses Kotane Local Municipality

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Figures in Rand

Contingencies Continued

13. Tsholofelo Moloi

Disciplinary action was instituted against Ms. Moloi and she was sanctioned with a written warning. The Municipality took the matter on review to the Labour Court and still awaiting date for hearing,

Ms. Moloi referred the matter to the SALGBC who ruled in her favour. She is to be reinstated with immediate effect and be paid compensation in the amount of R 314 623.44 for the unfair suspension.

The municipality challenged the ruling by SALGBC siting the pending case with the labour court,

Contingent assets

The municipality is claiming an amount of R214 929 from Ranamane Phungo which was erroneously paid by the municipality instead of paying to the account of Mr Phungo who was no longer practicing as Ranamane Phungo.

NWDC- The municipality is indebted R15 000 000 in arrear property rates (2002-2014).

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35. Prior period errors

An analysis of the revenue, expenditure, assets and liabilities pertinent to the prior year revealed the accounting errors listed below.

STATEMENT OF FINANCIAL POSITION

Trade and other payables.

Adjustment on the prior year were done to account for the trade payables not accounted for during year end.

Consumer debtors.

The correction was done on the rates and services accounts which were not properly accounted for.

VAT Payables/Receivables.

This refers to the reversal of the VAT not properly accounted for.

Inventory

Adjustment on the prior year were done to account for inventory not accounted for during year end.

Property plant and equipment

Adjustment on prior year were done for restatement of opening balances due to the implementation of a new asset register and the reconciliation thereof.

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Notes to the Financial Statements

Figures in Rand	Note(s)
35. Prior period errors (continued)	
Statement of financial position	2015
Trade and other payables. Debit	1
Accumulated Surplus credit	-1
transfer of funds to accumulated surplus project funded by the municipality not to be executed	
Trade and other payables. Debit	7 018 870
Accumulated Surplus credit	-7 018 870
Transfer of provision for creditor, NWDC to accumulated surplus	
Matter has been referred for arbitration and it not clear whether the matter will ever be resolved	
VAT Control	18 895 770
Accumulated Surplus credit	-18 895 770
adjustment on provision for debt impairment that included VAT	
Trade and other payables. Debit	404 697
Accumulated Surplus credit	-404 697
transfer of funds to accumulated surplus project funded by the municipality not to be executed	
Trade and other payables. Debit	783 704
Accumulated Surplus credit	-783 704
transfer of funds to accumulated surplus project funded by the municipality not to be executed	
Accumulated Surplus debit	250 682
Consumer Debtors (Balance Sheet) credit	-250 682
Adjustment on prior year balances of debtors	
Property Plant and Equipment	14 266 700
Accumulated Surplus credit	-14 266 700
Adjustment of opening balances infrastructure assets not accounted for during 2013/2014	
assets transferred from district municipality	

Notes to the Financial Statements

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35. Prior period errors (continued)

Statement of financial position	2015
Property Plant and Equipment	14 595 548
Accumulated Surplus credit	-14 595 548
Adjustment of opening balances on movables asset due to review of usefull lives of assets	
Accumulated Surplus debit	1 229 696
Trade and other payables. Credit	-1 229 696
Payment of creditors not provided in 2014/2015	
Property Plant and Equipment	6 327 376
Accumulated Surplus credit	-6 327 376
Adjustment of opening balances on movables asset due to review of usefull lives of assets prior to 2014/2015	

Statement of financial performance

Property Plant and Equipment	-95 601
Income Statement Depreciation	95 601
Disposal of vehicle during 2014/2015	
Property Plant and Equipment Depreciation	966 276
Income Statement Depreciation	-966 276
Adjustment on calculation of depreciation on movable assets	
Property Plant and Equipment	56 492
Income Statement Depreciation	-56 492
Disposal of vehicle adjustment of depreciation	
Income Statement Leave Bonus	18 978
Cash and Cash Equivalents	-18 978
Payment of creditors not provided in 2014/2015	

Moses Kotane Local Municipality**Demarcation Code NW375**

Financial Statements for the year ended 30 June 2016

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Note(s)

35. Prior period errors (continued)

Statement of financial performance	2015	Prior Year
Income Statement Salaries	858 898	
Cash and Cash Equivalents	-858 898	
Payment of creditors not provided in 2014/2015		
Income Statement Water Sale	186 015	
Consumer Debtors (Balance Sheet) Credit	-186 015	
Adjustment on prior year billing on consumer debtors for property rates		
Income Statement Bulk water	32 626	
Cash and Cash Equivalents	-32 626	
Income Statement Security	40 207	
Cash and Cash Equivalents	-40 207	
Transfer of payment of creditor to correct vote		
Payment of creditors not provided in 2014/2015		
Income Statement General Expenses	4 518 302	
Cash and Cash Equivalents	-4 518 300	
Payment of creditors not provided in 2014/2015		
Accumulated Surplus debit	39 046	
Inventory credit	-39 046	
Adjustment of water levels in reservoirs		
Income Statement Repair and maintenance	-4 860	
Inventory debit	4 860	
Adjustment of store issues		
Income Statement Repair and maintenance	138 492	
Cash and Cash Equivalents	-138 492	
Payment of creditors not provided in 2014/2015		
Consumer Debtors (Balance Sheet) Debit	-12 170	
Credit Water sale Income statement	12 170	
Property Plant and Equipment Depreciation		1 375 948
Accumulated Surplus credit		-1 375 948
Adjustment of opening balances regarding depreciation prior to 2014/2015		
Debit Accumulated Surplus	1 437 697,00	11 030 900
Credit Provisions Long Service Awards	-1 437 697,00	-11 030 900

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Note(s)

35. Prior period errors (continued)**Statement of financial position**

Provision of land fill sites 4 515 187,00

Accumulated surplus (4 515 187,00)

Adjustment of opening balances on the provision of land fill sites that was not provided:
in 2014/2015

Creditors 18 835 092,79

Provision for land fill sites 18 835 092,79

Cash & bank 249 802,00

Other financial assets (249 802,00)

Prior year correction on cash and cash equivalent

Other financial liabilities 3 805 195,00

Finance lease (3 805 195,00)

Error in the classification of the leases in 2014/2015

Contribution to the provision 95 655,00

Provision land fill (95 655,00)

Adjustment to the provisions prior year

Notes to the Financial Statements

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36. Risk management

Financial Risk Management Objectives

The Accounting Officer has overall responsibility for the establishment and oversight of the municipality's risk management framework. The municipality's risk management policies are established to identify and analyse the risks faced by the municipality, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

The municipality's Finance department provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operation of the municipality through internal risk reports which analyse exposure by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of the financial risk faced by business entities. Financial Instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial Assets and Liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The Department of Finance monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Risk management policies and systems are reviewed regularly to reflect changes to market conditions and the municipality's activities, and compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by external auditors. The municipality does not enter into or trade financial instruments for speculative purposes.

Internal audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports periodically to the municipality's audit committee, an independent body that monitors the effectiveness of the internal audit function.

Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. It is the policy of the municipality to disclose information that enables the user of its Annual Financial Statements to evaluate the nature and extent of risks arising from Financial Instruments to which the municipality is exposed on the reporting date.

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance. Risk management is carried out by a central treasury department (the Budget and Treasury Department) under policies approved by the Council. The department identifies, evaluates and manages financial risks in close co-operation with the municipality's operating units. The council provides written principles for overall risk management, as well as written policies covering specific areas, such as liquidity risk and the various elements of market risk.

Notes to the Financial Statements

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36. Risk management (continued)

Risks and exposures are defined as follows:

Market Risk

Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Credit risk

Credit Risk is the risk of financial loss to the municipality if a customer or counterparty to a Financial Instrument fails to meet its contractual obligations and arises principally from the municipality's receivables from customers and investment securities; or the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality.

Liquidity Risk

Liquidity Risk is the risk that the municipality will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The municipality's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the municipality's reputation.

Liquidity Risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cash flow requirements. Liabilities are managed by ensuring that all contractual payments are met on a timely basis and, if required, additional new arrangements are established at competitive rates to ensure that cash flow requirements are met.

Capital risk management

The municipality's objective when management capital is to safeguard the Municipality's ability to continue as a going concern in order to provide services for the stakeholders and to maintain optimal capital structure to reduce the cost of capital.

The capital structure of the municipality consists of debt, which includes the borrowings as disclosed in note 12, cash and cash equivalents disclosed in note 9, and equity as disclosed in the statement of financial position.

Consistent with others in the industry, the Municipality monitors capital on the basis of gearing ratio.

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The ratio is calculated as net debt divided by the total capital. Net debt is calculated as total borrowings (including current and non current borrowings as shown in the statement of financial position) less cash and cash equivalent . The total capital is calculated as equity 's as shown in the statement of financial position plus net debt.

The municipality's strategy is to maintain a gearing ratio of between 5% to 15% . There are no externally imposed capital requirement.

There have been no changes to what the municipality manages as capital , the strategy for capital maintenance or externally exposed capital requirements for the previous financial year.

The gearing ratio at 2016 and 2015 respectively were as follows:.

	2016	2015
Total borrowings		
Current liabilities	107 837 217	93 932 961
Non-Current liabilities	93 098 384	99 806 867
Less cash and cash equivalent	135 276 642	85 733 265
Total equity	1 385 857 313	1 253 862 877
	1 451 516 272	1 533 335 970

Credit and liquidity risk

The municipality's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the municipality's reputation.

Liquidity Risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cash flow requirements. Liabilities are managed by ensuring that all contractual payments are met on a timeous basis and, if required, additional new arrangements are established at competitive rates to ensure that cash flow requirements are met.

Prudent liquidity management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and ability to close out market positions . Due to the dynamic nature of the underlying businesses , municipality treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The municipality's risk to liquidity is as a result of funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

The municipality has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The municipality uses its own trading records to assess its mayor customers. The municipality's exposure of its counterparties are monitored regularly.

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36. Risk management (continued)

Potential concentrations of credit rate risk consist mainly of fixed deposit investments, long-term receivables, other debtors, bank and cash balances.

The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty. Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2016	2015
Consumer debtors	194 707 925	227 690 462
Receivables from exchange transactions	2 156 860	2 835 406
Cash and cash equivalents	135 276 642	85 733 265
Receivables from non-exchange transactions	12 969 203	11 711 548
Other financial assets	0	0

Investments/Bank, Cash and Cash Equivalents

The municipality limits its counterparty exposures from its short-term investments (financial assets that are neither past due nor impaired) by only dealing with well-established financial institutions short term credit rating of BBB and long-term credit rating of AA- and higher at an International accredited credit rating agency. The municipality's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst different types of approved investments and institutions, in accordance with its investment policy. Consequently, credit risk. The municipality is not exposed to any significant credit risk.

The municipality limits its counterparty exposures from its money market investments operations (financial assets that are neither past due nor impaired) by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction/exposure limits, which are included in the municipality's Investments policy. These limits are reviewed by the Chief Chief Financial Officer and authorised by the Council.

The municipality limits its counterparty exposures from its money market investment operations (financial assets that are neither past due nor impaired) by only dealing with Absa Bank, First National Bank, Nedbank and Standard Bank. No investments with a tenure exceeding twelve months are made.

Trade and Other Receivables

Trade and Other Receivables are amounts owed by consumers and are presented net of impairment losses. The municipality has a credit risk policy in place and the exposure to credit risk is monitored on an on-going basis. The municipality is compelled in terms of its constitutional mandate to provide all its residents with basic minimum services without recourse to an assessment of creditworthiness. Subsequently, the municipality has no control over the approval of new customers who acquire properties in the designated municipal area and consequently incur debt for rates, water and other services rendered to them.

Trade Receivables consist of a large number of customers, spread across diverse industries in the geographical area of the municipality. Periodic credit evaluation is performed on the financial condition of accounts receivable and where appropriate, credit guarantee is increased accordingly.

Notes to the Financial Statements

Figures in Rand

36. Risk management (continued)

Consumer Debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas within the jurisdiction of the municipality. On-going credit evaluations are performed on the financial condition of these debtors.

Consumer debtors are presented net of a provision for impairment.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "demand for payment" restriction of services and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

The municipality limits this risk exposure in the following ways, in addition to its normal credit control and debt management procedures:

- ☐ The application of section 118(3) of the Municipal Systems Act (MSA), which permits the municipality to refuse connection of services whilst any amount remains outstanding from a previous debtor on the same property;
- ☐ A new owner is advised, prior to the issue of a revenue clearance certificate, that any debt remaining from the previous owner will be transferred to the new owner, if the previous owner does not settle the outstanding amount;
- ☐ Encouraging residents to install water management devices that control water flow to households.

There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing and measuring the risk during the year under review. The municipality's maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statement of Financial Position, without taking into account the value of any collateral obtained. The municipality has no significant concentration of credit risk, with exposure spread over a large number of consumers, and is not concentrated in any particular sector or geographical area.

The municipality establishes an allowance for impairment that represents its estimate of anticipated losses in respect of trade and other receivables.

Interest rate risk

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Financial Assets and Liabilities that are sensitive to interest rate risk are cash and cash equivalents investments, and loan payables. The municipality is not exposed to interest rate risk on these financial instruments as the rates applicable are fixed interest rates.

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. No investment with a tenure exceeding twelve months shall be made.

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36. Risk management (continued)

The municipality limits its counterparty exposures from its money market investment operations by only dealing with Absa Bank, First National Bank, Nedbank and Standard Bank. No investments with tenure exceeding twelve months are made.

Consumer Debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas.

Consumer debtors are presented net of a provision for impairment .

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by 'demand for payment' 'restriction of services' and, as a last resort, 'handed over for collection', whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy. Consumer Deposits are increased accordingly.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality is not exposed to interest rate risk as the municipality borrows funds at fixed interest rates.

Foreign exchange risk

The municipality does not have any direct exposure to foreign exchange risk as it does not engage in transactions or hold any assets or liabilities denominated in any foreign currencies.

Price risk

The municipality does not hold any market-priced securities and is not exposed to price risk as a result.

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Financial Statements for the year ended 30 June 2016

Notes to the Financial Statements

Figures in Rand	Note(s)	2016	2015
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37. Going concern

We draw attention to the fact that at 30 June 2016, the municipality had accumulated surplus of R 1 385 857 313 and that the municipality's total assets exceed its liabilities by R 1 385 857 313.

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

38. Material losses

Material loss in water distribution	16 694 649	12 080 866
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39. Unauthorized expenditure

Opening Balance	6 291 848	19 336 929
Add: Unauthorized expenditure current year		6 291 848
less: Amounts condoned before re-instatement	-6 291 848	-21 445 525
less: Amounts condoned due to re-instatement		2 108 596
	0	6 291 848

Council passed a special adjustments budget during the tabling of the annual report in January 2016 to authorise the unauthorised expenditure that related to the 2014/2015 financial year

40. Fruitless and wasteful expenditure

Opening balance	10 112 683	9 703 835
Fruitless and wasteful expenditure current year	72 254	408 848
Less: Amounts irrecoverable (condoned)		
Less: Amounts recoverable (not condoned)	-1 218 685	
	8 966 252	10 112 683

Analysis of expenditure awaiting condonation per age classification

Current year	72 254	408 848
Prior years	8 893 998	9 703 835
	8 966 252	10 112 683

The fruitless and wasteful expenditure relates to the interest on Eskom accounts.

The municipality signed a debtor order in January 2016 to avoid recurrence of this matter

Moses Kotane Local Municipality
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Financial Statements for the year ended 30 June 2016

Notes to the Financial Statements

Figures in Rand	Note(s)	2016	2015
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41. Irregular expenditure

Opening balance		296 872 958	222 496 451
Add: Irregular Expenditure - current year		52 908 952	74 376 507
Less: Amounts condoned current year			
Less: Amounts condoned previous year			
Less: Amounts recoverable (not condoned)			
		349 781 910	296 872 958

Council has investigated irregular expenditure to the Value of R142 102 088 and refer these transaction to National treasury for finalisation. Refer to resolution 213/06/2016

Analysis of expenditure awaiting condonation per age classification

Current year		52 908 952	74 376 507
Prior years		296 872 958	222 496 451
Less: Amounts condoned current year			
		349 781 910	296 872 958

Details of irregular expenditure – current year

	Disciplinary steps taken/criminal proceedings	
Emergency services- Water tankers	Investigation has been concluded and the municipality purchased its own water tankers	2 187 660
Emergency services- Waste Collection	Investigation has been concluded and the contracts has been terminated	4 680 000
Risk based appointments	Investigation has been concluded and council has condoned	15 850 305
SCM not followed	Investigation has been concluded and council has condoned and the resolution has been submitted to National treasury for their consideration	30 131 512
Casual appointment procedure not followed	Disceplinary action has been instituted against the employee	59 475

52 908 952

42. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Current year subscription / fee - SALGA	2 019 188	1 772 277
Amount paid - current year	-2 019 188	(1 772 277)
	-	-

Audit fees

Current year subscription / fee	3 220 429	3 449 620
Amount paid - current year	-3 220 429	(3 449 620)
	-	-

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Financial Statements for the year ended 30 June 2016

Notes to the Financial Statements

Figures in Rand	Note(s)	2016	2015
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42. Additional disclosure in terms of Municipal Finance Management Act**PAYE and UIF**

Current year subscription / fee	24 469 609	21 939 960
Amount paid - current year	-24 469 609	-21 939 960
	0	-

Pension and Medical Aid Deductions

Current year subscription / fee	26 025 100	24 262 147
Amount paid - current year	-26 025 100	-24 262 147
	0	0

VAT

VAT receivable	14 632 471	28 831 456
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VAT output payables and VAT input receivables are shown in note .

All VAT returns have been submitted by the due date throughout the year.

Notes to the Financial Statements

Figures in Rand	Note(s)	2016
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42. Additional disclosure in terms of Municipal Finance Management Act

30 June 2016

	Outstanding less than 90 days R	Outstanding less than 90 days R	Total R
Councillor M Nondzaba	1 074	29 077	30 151
Councillor J Maretele	2 636	22 477	25 113
Councillor S Motlhaga	750	2 712	3 462
Councillor J Setou	803	13 988	14 791
Councillor L M Ntshite	1 090	16 175	17 265
Councillor C Motshabi	492	5 679	6 171
Councillor J Selotlego	145	2 025	2 170
Councillor M Monyatsi	765	10 217	10 982
		0	
	7 755	102 350	110 105

30 June 2015

	Outstanding less than 90 days R	Outstanding less than 90 days R	Total R
Councillor M Nondzaba	391	11 496	11 887
Councillor J Maretele	21	1 107	1 128
Councillor S Motlhaga	2 494	1 868	4 362
Councillor J Setou	360	8 186	8 546
Councillor K Motshegoa	254	3 676	3 930
Councillor L M Ntshite	760	12 081	12 841
Councillor C Motshabi	355	3 846	4 201
Councillor J Selotlego	128	1 480	1 608
Councillor M Monyatsi	524	8 160	8 684
Councillor F Mokati	37	726	763
	5 324	52 626	57 950

During the year the above mentioned Councillors were in arrear for more than 90 days

Supply chain management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations a Management Policy needs to be approved/condoned by the City Manager and noted by Council. The expenses incurred as listed hereunder have been condoned.

Notes to the Financial Statements

Figures in Rand

42. Additional disclosure in terms of Municipal Finance Management Act

Supply chain management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any Management Policy needs to be approved/condoned by the City Manager and noted by Council. The expenses incurred as listed hereunder have been condoned.

43. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to next meeting of the and includes a note to the financial statements.

In line with regulation 36 of the Municipal supply chain management the Municipality has incurred deviation to the value of R17 292 128 which were submitted to council for noting . The Municipality has been complying with regulation 36 and has kept the register for all deviations recorded for the year.

Appendix A

Schedule of external loans as at 30 June 2016

	Loan Number	Interest Rate	Balance at 30 June 2015	House Owners Insurance	Redeemed written off during the period	Balance at 30 June 2016
			Rand	Rand	Rand	Rand
ABSA BANK						
Loan Stock						
Transport	84212539		139 465	-	39 858	99 607
Transport	84312652		139 465	-	39 858	99 607
Transport	84312784		139 465		39 858	99 607
Transport	84312962		139 465	-	39 858	99 607
Transport	84312989		139 465	-	39 858	99 607
Transport	84313128		139 465	-	39 858	99 607
Transport	84313357		139 465	-	39 858	99 607
Transport	84314620		139 521	-	39 874	99 647
Transport	84314850		223 022	-	63 737	159 285
Transport	84314906		139 521	-	39 874	99 647
Transport	84314981		150 127	-	42 905	107 222
Transport	84315023		223 022	-	63 737	159 285
Transport	84315180		223 022	-	63 737	159 285
Transport	84315210		251 997	-	72 018	179 979
Transport	84315317		139 521	-	39 874	99 647
Transport	84315392		223 022	-	63 737	159 285
Transport	84315422		139 521	-	39 874	99 647
Transport	84315520		139 521	-	39 874	99 647
Transport	84315597		139 521	-	39 874	99 647
Transport	84315759		139 521	-	39 874	99 647
Transport	84315830		139 521	-	39 874	99 647
Transport	84315937		139 521	-	39 874	99 647
Transport	84316038		139 521	-	39 874	99 647
Transport	84316437		139 521	-	39 874	99 647
Mayoral House	8065717250		1 239 166	10 337	66 577	1 182 926
Extension of Civic centre	-		9 746 152	-	977 653	8 768 499
			14 790 516	10 337	2 131 721	12 669 132

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Appendix A (Continued)

Schedule of external loans as at 30 June 2016

	Loan Number	Interest Rate	Balance at 30 June 2015	House Owners Insurance	Redeemed written off during the period	Balance at 30 June 2016
			Rand	Rand	Rand	Rand
Development Bank of						
Roads, Bridges			6 175 558		419 637	5 755 921
Street Lighting Sun City			5 018 325		343 340	4 674 985
Streetlights, Mabela-a-Podi and Mogwase			270 7312		348 002	2 359 310
Water			19 117 297		1 590 189	17 527 108
			33 018 492		2 701 168	30 317 324
INCA						
Civic Centre	-	14%	5 086 375	-	1 830 075	3 256 300
Civic Centre-Extension	50610027704	11,40%	8 829 090	-	979 006	7 850 084
Civic Centre -Extension	Loan 9078	11,83%	8 347 134	-	322 413	8 024 721
Community Halls	18721	13,85%	2 433 512	-	148 411	2 285 101
			24 696 111	-	3 279 905	21 416 206
Total external loans						
ABSA			14 790 517	10 337	2 131 721	12 669 133
Development Bank of South			33 018 492		2 701 168	30 317 324
INCA			24 696 111		3 279 905	21 416 206
			72 505 120	10 337	8 112 794	64 402 663

Appendix B

Analysis of property, plant and equipment as at 30 June 2016

Cost/Revaluation

Accumulated depreciation

	Opening Balance	Prior Year Corrections	Restated Opening Balance	Additions	Disposals	Transfers	Adjustment Fair Value	Under Construction	Closing Balance	Opening Balance	Prior Year Corrections	Restated Opening Balance	Disposals	Impairment	Depreciation	Prior year adjustment	Closing Balance	Carrying Value
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Land and buildings																		
Land (Separate for AFS purposes)	13 026 149		13 026 149	-	-	11 005 300	-	-	24 031 449									24 031 449
Work in Progress	9 205 549		9 205 549						9 205 549									9 205 549
Buildings (Separate for AFS purposes)	28 359 088		28 359 088						28 359 088	(7 577 231)		(7 577 231)		(255 713)	(74 486)		(7 908 430)	20 490 558
	50 630 786		50 630 786			11 005 300			61 636 086	(7 577 231)		(7 577 231)		(255 713)	(74 486)		(7 908 430)	53 727 656
Infrastructure																		
Roads, Pavements & Bridges	486 361 937		486 361 937	77 202 488					563 564 425	(305 546 569)		(305 546 569)		(3 062)	(15 272 541)		(320 824 172)	242 740 313
Street lighting	37 568 016		37 568 016						37 568 016	(10 883 857)		(10 883 857)			(213 310)		(11 097 166)	26 470 850
Water Retention	349 271 358	7 202 489	356 473 847	7 042 568					363 516 415	(168 142 793)	(1 853 000)	(169 995 793)			(1 448 374)		(171 444 167)	192 072 258
Water boreholes	39 731 355	(258 714)	39 472 641	20 048 474	(198 957)				59 322 348	(28 657 895)	2 609 787	(26 048 108)	170 799	(1 081 715)	(2 293 541)		(29 252 565)	30 069 783
Water Pump station	4 396 025		4 396 025						4 396 025	(3 173 459)	9 469	(3 163 990)			(43 681)		(3 207 571)	1 188 354
Water Reservoir	79 374 202	(126 985)	79 247 217	49 110	(59 125)				79 237 192	(32 433 516)	117 047	(32 316 469)	31 043	(229 303)	(512 815)		(33 027 544)	46 209 648
Water Bulk Pipelines	199 714 964	8 554 865	208 269 829		(400 000)				208 269 829	(139 787 969)	(459 878)	(140 227 847)	314 714		(755 218)		(140 668 351)	67 601 478
Water Treatment Works	10 154 796		10 154 796	5 219 275					15 374 071	(6 292 738)	34 449	(6 258 289)			(316 847)		(6 575 136)	8 799 935
Stormwater	2 675 694	(68 381)	2 607 313	3 106 943					5 714 257	(146 506)		(146 506)			(99 051)		(247 557)	5 535 080
Sewage Main & Purification Plant	73 119 037		73 050 666	48 479					73 099 145	(40 370 845)	91 346	(40 370 845)			(312 780)		(40 683 805)	32 415 540
Refuse Disposal Site	31 486 049	4 708 523	36 194 572	10 065 386					46 249 970	(17 254 705)		(17 254 705)			(68 007)		(17 322 712)	28 927 258
Work in Progress	241 009 335		241 009 335	13 425 031		-29 514 380			226 920 006									226 920 006
	1 564 863 048	20 411 787	1 575 274 835	135 197 786	(658 092)	(29 514 380)			1 683 300 149	(762 766 200)	549 223	(762 216 977)	616 566	(1 314 080)	(21 336 146)		(774 360 646)	908 940 503
Community Assets																		
Parks & gardens	6 258 668		6 258 668	24 978 962					31 237 630	(2 652 963)		(2 652 963)			(12 676)		(2 665 639)	28 572 011
Civic Building	58 346 376		58 346 376						58 346 376	(17 964 988)		(17 964 988)			(539 709)		(18 504 697)	39 841 679
Library	4 124 932		4 124 932						4 124 932	(1 311 435)		(1 311 435)			(10 388)		(1 321 823)	2 803 109
Recreational Grounds	21 289 934		21 289 934	166 838					21 289 934	(9 540 716)		(9 540 716)			(49 444)		(9 590 160)	11 699 774
Cemeteries	7 381 168		7 381 168			-6 280 449			7 381 168	(2 503 355)		(2 503 355)		(486 230)	(19 035)		(3 008 620)	4 330 386
Work in Progress	64 738 851		64 738 851	4 157 895					62 636 297									62 636 297
	162 161 929		162 161 929	29 303 715		(6 280 449)			186 185 195	(33 973 457)		(33 973 457)		(486 230)	(631 252)		(35 090 339)	150 094 256

Analysis of property, plant and equipment as at 30 June 2016

	Cost/Revaluation						Accumulated depreciation											
	Opening Balance Rand	Prior Year Corrections	Restated Opening Balance	Additions Rand	Disposals Rand	Transfers Rand	Adjustment Fair Value Rand	Under Construction Rand	Closing Balance Rand	Opening balance Rand	Prior Year Corrections Rand	Restated Opening Balance	Disposals Rand	Impairment Rand	Depreciation Rand	Prior year adjustment Rand	Closing balance Rand	Carrying Value Rand
Heritage assets																		
Sculpture	14 000	-	-	-	-	-	-	-	14 000	-	-	-	-	-	-	-	-	14 000
	14 000	-	-	-	-	-	-	-	14 000	-	-	-	-	-	-	-	-	14 000
Specialized vehicles																		
Other assets																		
Motor vehicles	50 178 379	6 324 640	56 503 019	10 653 444	-	-	-	-	67 156 463	(25 275 348)	6 708 656	(18 566 692)	-	-	(6 911 364)	-	(25 478 056)	41 678 407
Plant & equipment	7 998 079	(1 428 063)	6 570 016	714 035	-	-	-	-	7 284 051	(7 599 039)	4 085 045	(3 513 994)	-	-	(608 664)	-	(4 122 658)	3 161 393
Furniture and fittings	9 081 252	(346 335)	8 734 917	4 256 478	-	-	-	-	12 991 395	(4 461 737)	1 900 325	(2 561 412)	-	-	(1 237 524)	-	(3 798 936)	9 192 459
Office equipment	44 884 203	1 589 068	46 473 271	27 480 517	-	-	-	-	73 953 788	(10 749 873)	3 051 739	(7 668 134)	-	-	(14 393 858)	-	(22 091 992)	51 861 796
	112 141 913	6 139 310	118 281 223	43 104 474	-	-	-	-	161 385 697	(48 085 997)	15 745 765	(32 340 232)	-	-	(23 151 410)	-	(55 491 642)	105 894 055

Analysis of property, plant and equipment as at 30 June 2016

	Cost/Revaluation					Accumulated depreciation												
	Opening Balance Rand	Prior Year Corrections	Restated Opening Balance	Additions Rand	Disposals Rand	Transfers Rand	Adjustment Fair Value Rand	Under Construction Rand	Closing Balance Rand	Opening balance Rand	Prior Year Corrections Rand	Restated Opening Balance Rand	Disposals Rand	Impairment Rand	Depreciation Rand	Prior year adjustment Rand	Closing Balance Rand	Carrying Value Rand
Total property plant and equipment																		
Land and buildings	50 630 786	-	50 630 786	-	-	11 005 300	-	-	61 636 086	(7 577 231)	-	(7 577 231)	-	(256 713.0)	(74 468)	-	(7 506 430)	53 727 656
Infrastructure	1 554 863 046	20 411 787	1 575 274 835	136 187 766	(656 052)	(29 514 360)	-	-	1 683 300 146	(752 768 200)	549 223	(752 216 977)	516 556	(1 314 060.0)	(21 336 145)	-	(774 350 646)	908 948 503
Community Assets	162 161 929	-	162 161 929	29 303 715	-	(6 266 446)	-	-	185 185 185	(33 973 457)	-	(33 973 457)	-	(466 230.0)	(631 252)	-	(35 090 939)	150 094 256
Heritage assets	14 000	-	14 000	-	-	-	-	-	14 000	-	-	-	-	-	-	-	-	14 000
Other assets	112 141 913	6 139 310	118 281 223	43 104 174	-	-	-	-	161 385 697	(48 065 997)	15 745 765	(32 340 232)	-	-	(23 151 410)	-	(55 491 842)	105 894 055
WIP	1 879 811 676	28 551 997	1 908 368 773	210 608 976	(658 092)	(24 789 629)	-	-	2 091 121 127	(642 402 845)	16 294 888	(826 107 897)	616 658	(2 057 023)	(45 193 253)	-	(672 841 657)	1 218 679 470
Agricultural/Biological assets																		
Intangible assets																		
Investment properties																		
Total																		
Land and buildings	50 630 786	-	50 630 786	136 187 766	(656 052)	11 005 300	-	-	61 636 086	(7 577 231)	-	(7 577 231)	-	(256 713.0)	(74 468)	-	(7 506 430)	53 727 656
Infrastructure	1 554 863 046	20 411 787	1 575 274 835	29 303 715	-	(29 514 360)	-	-	1 683 300 146	(752 768 200)	549 223	(752 216 977)	516 556	(1 314 060.0)	(21 336 145)	-	(774 350 646)	908 948 503
Community Assets	162 161 929	-	162 161 929	29 303 715	-	(6 266 446)	-	-	185 185 185	(33 973 457)	-	(33 973 457)	-	(466 230.0)	(631 252)	-	(35 090 939)	150 094 256
Heritage assets	14 000	-	14 000	-	-	-	-	-	14 000	-	-	-	-	-	-	-	-	14 000
Other assets	112 141 913	6 139 310	118 281 223	43 104 174	-	-	-	-	161 385 697	(48 065 997)	15 745 765	(32 340 232)	-	-	(23 151 410)	-	(55 491 842)	105 894 055
WIP	1 879 811 676	28 551 997	1 908 368 773	210 608 976	(658 092)	(24 789 629)	-	-	2 091 121 127	(642 402 845)	16 294 888	(826 107 897)	616 658	(2 057 023)	(45 193 253)	-	(672 841 657)	1 218 679 470

Segmental analysis of property, plant and equipment as at 30 June 2016

[illegible]

Appendix D

Segmental Statement of Financial Performance for the year ended 30 June 2016

Prior Year			Current Year			
Actual Income Rand	Actual Expenditure Rand	Surplus/ (Deficit) Rand	Actual Income Rand	Actual Expenditure Rand	Surplus/ (Deficit) Rand	
Municipality						
	69 006 314	-69 006 314	Executive & Council	1 446 000	70 764 068	-69 318 068
	9 055 183	-9 055 183	Municipal Manager		15 571 452	-15 571 452
410 680 207	59 388 609	351 291 598	Budget and Treasury Office	477 577 542	56 027 737	421 549 805
169 321	69 509 412	-69 340 091	Corporate Services	119 798	82 504 504	-82 384 706
1 766 763	67 047 168	-65 280 405	Community and Social Services	5 674 852	63 958 696	-58 283 844
82 727	14 757 720	-14 674 993	Planning& Development	325 255	13 414 981	-13 089 726
6 958 104	7 952 468	-994 364	Infrastructure administration	3 490 797	16 135 618	-12 644 821
	8 256 267	-8 256 267	Streetlights		9 514 910	-9 514 910
	41 640 521	-41 640 521	Roads Transport/Roads		29 292 068	-29 292 068
182 165 146	187 220 100	-5 054 954	Water	194 097 218	200 311 297	-6 214 079
12 854 720	6 991 852	5 862 868	Waste Water Management/Sewerage	13 566 959	5 939 810	7 627 149
45 933 150	40 508 514	5 424 636	Waste Mangement /Solid Waste	55 182 911	56 573 133	-1 390 222
660 610 138	581 334 127	79 276 011	-	751 481 332	620 008 274	131 473 058
Gain (loss) on disposal of assets						-616 892
Municipal Owned Entities						
Other charges						
660 610 138	581 334 127	79 276 011	Municipality	751 481 332	620 008 274	130 856 166

Appendix E

DISCLOSURES IN TERMS OF SECTION 123 OF THE MFMA: GRANTS AND SUBSIDIES RECEIVED FOR THE YEAR ENDED 30 JUNE 2016

Name of Grant	Name of organ of state or municipal entity	Quarterly Receipts				Quarterly Expenditure				Grants and subsidies delay/withheld				Reason for withholding of funds	Did your Municipality comply with the grant framework in the latest Division of Revenue Act	Reason for non-compliance
		September	December	March	June	September	December	March	June	September	December	March	June			
Finance Management Municipal Systems Improvement Expanded Public Works Programme DWAF Operating and Maintenance Libraries	National Treasury	1 600 000				224 000	347 000	211 000	818 000							
	COGTA	930 000				5 000	515 000	410 000		None	None	None	None		Yes	
	Public Works	578 000	868 000			231 000	15 000	217 000	983 000	None	None	None	None		Yes	
	DWAF	3 125 000	6 250 000	3 125 000		1 847 000	5 003 000	3 309 000	2 341 000							
EEDSM Municipal Infrastructure	Dept Sports Arts and Cultural															
	Dept Energy									None	None	None	None		Yes	
	COGTA	30 228 000	56 686 000	48 461 000		17 121 000	28 327 000	26 845 000	48 468 869	None	None	None	None		Yes	
		36 461 000	63 804 000	51 586 000	0	19 204 000	34 207 000	30 592 000	52 610 869							

Appendix F Budgeted Financial Performance (Revenue and Expenditure by Standard Classification) for the year ended 30 June 2016

Figures in Rand	Original budget	Adjustments budget (i.t.o s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds(i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance Actual Outcome against Budget	Actual outcome as % of final budget	Actual outcome as % of original budget	Reported Unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R
Revenue - Standard															
Property rates	68 720 382	85 164 112	85 164 112				97 112 317			114.03%	139.29%				
Service charges	140 892 982	139 442 982	139 442 982				132 747 088			95.20%	94.22%				
Investment revenue	9 700 000	8 000 000	8 000 000				10 497 271			131.22%	108.22%				
Transfers recognised-operational	343 349 727	343 304 011	343 304 011				343 489 097			100.05%	100.04%				
Other own revenue	29 007 100	43 590 500	43 590 500				47 891 623			165.10%	165.10%				
Total revenue (excluding capital transfers and contributions)	592 670 191	619 501 605	619 501 605				631 737 396								
Expenditure - Standard															
Employee related cost	178 041 720	156 150 907	156 150 907				149 511 135			95.75%	83.98%				
Remuneration of councillors	20 906 185	21 612 185	21 612 185				20 793 948			96.21%	99.46%				
Debt impairment	62 457 606	62 557 606	62 557 606				77 380 935			123.70%	123.89%				
Depreciation and asset impairment	105 048 731	105 048 731	105 048 731				46 184 542			43.96%	43.96%				
Finance costs	7 575 376	7 575 376	7 575 376				8 590 181			113.40%	113.40%				
Materials and bulk purchases	108 316 500	124 336 670	124 336 670				108 249 799			87.06%	101.82%				
Other expenditure	208 626 067	236 522 124	236 522 124				209 297 734			88.49%	101.29%				
Total expenditure	686 972 185	713 803 599	713 803 599				620 008 274								
Gains on disposal of assets							-616 892								
Surplus/(Deficit)	-94 301 994	-94 301 994	-94 301 994				11 112 230								
Transfers recognised capital							119 743 936								
Surplus/(Deficit) after capital transfers and contributions							130 856 166								
Surplus/(Deficit) for the year							130 856 166								

Budgeted Financial Performance (Revenue and Expenditure) for the year ended 30 June 2016

Appendix G

	Original budget	Adjustments budget (i.t.o s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds(i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance Actual Outcome against Adjustment Budget	Actual outcome as % of final budget	Reported Unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Restated Audited Outcome
Revenue by Source													
Property rates	69 720 382	15 443 730	85 164 112			85 164 112	97 112 317			114,03%			
Service charges - Water Revenue	111 551 554	-1 000 000	110 551 554			110 551 554	102 597 218			92,80%			
Service charges - Sanitation Revenue	3 621 889	-720 000	2 901 889			2 901 889	2 566 959			88,46%			
Service charges - Refuse Revenue	25 719 539	270 000	25 989 539			25 989 539	27 582 911			106,13%			
Interest Earned - External Investments	9 700 000	-1 700 000	8 000 000			8 000 000	10 497 271			131,22%			
Interest Earned - Outstanding Debtors	23 850 000	15 125 000	38 975 000			38 975 000	41 709 966			107,02%			
Fines	3 500 000	-500 000	3 000 000			3 000 000	4 642 651			154,76%			
Transfers recognised-operational	343 349 727	-45 716	343 304 011			343 304 011	343 489 097			100,05%			
Other own revenue	1 657 100	-41 600	1 615 500			1 615 500	1 539 006			95,26%			
Gains on Disposal, of PPE						0							
Total revenue (excluding capital transfers and contributions)	592 670 191	26 831 414	619 501 605			619 501 605	631 737 396						
Employee related cost	178 041 720	-21 890 813	156 150 907			156 150 907	149 511 135			95,75%			
Remuneration of councilors	20 906 185	706 000	21 612 185			21 612 185	20 793 948			96,21%			
Debt impairment	62 457 606	100 000	62 557 606			62 557 606	77 380 935			123,70%			
Depreciation and asset impairment	105 048 731	0	105 048 731			105 048 731	46 184 542			43,96%			
Finance costs	7 575 376	0	7 575 376			7 575 376	8 590 181			113,40%			
Bulk Purchases	55 000 000	11 200 000	66 200 000			66 200 000	63 205 858			95,48%			
Other Materials	51 316 500	6 820 170	58 136 670			58 136 670	45 043 941			77,48%			
Contracted Services	30 000 000	3 400 000	33 400 000			33 400 000	32 623 323			97,67%			
Other expenditure	176 626 067	26 496 057	203 122 124			203 122 124	176 674 411			86,98%			
Total expenditure	686 972 185	26 831 414	713 803 599			713 803 599	620 008 274						
Surplus/(Deficit)	-94 301 994		-94 301 994				11 729 122						
Transfers recognised capital							119 743 936						
Contributions recognised capital													
Surplus/(Deficit) after capital transfers and contributions	-94 301 994		-94 301 994				131 473 058						
Gains on Disposal, of PPE							-616 892						
Surplus/(Deficit) for the year	-94 301 994		-94 301 994				130 856 166						

Figures in Rand

Appendix H

General statistics		2016	2015
Population		236 845	236 845
Registered voters		116 000	116 000
Valuation date: January 2012 with effect from July 2012			
Total valuations		4 199 120 301	5 083 449 307
Assessment rates			
Calculated on the improved value of the property			
Residential	per rand	0,001060	0,001060
		Less 17,000 on valuation	Less 17,000 on valuation
		plus a rebate of 20% if developed	plus a rebate of 20% if developed
Mining		0,07060	0,06660
Commercial		0,02176	0,02053
Other properties and right in land			
Sun City		0,03671	0,03463
Government properties and Tertiary Institutions		0,05300	0,05000
Industrial		0,00876	0,00826
Number of properties			
Residential	Formal	4 437	3 242
Commercial	Formal	228	131
Churches	Formal	15	36
Service charges: (Per site)			
Refuse Removal			
Residential Madikwe		26,94 plus VAT	23,60 plus VAT
Commercial Madikwe		54,98 plus VAT	47,19 plus VAT
Residential Mogwase		26,94 plus VAT	23,60 plus VAT
Commercial Mogwase		54,98 plus VAT	47,19 plus VAT
Sewerage			
Residential Madikwe		25,96 plus VAT	25,96 plus VAT
Commercial Madikwe		51,81 plus VAT	51,81 plus VAT
Residential Mogwase		25,96 plus VAT	25,96 plus VAT
Commercial Mogwase		51,81 plus VAT	51,81 plus VAT
Industries		6,36 of 60% of water consumed	5,78 of 60% of water consumed
Water			
Residential		0 to 6kl Free of Charges	0 to 6kl Free of Charges
		6.1 to 45kl 13,46	6.1 to 45kl 12,24
		45.1 kl and above 15,48	45.1 kl and above 14,08
Small Business and State Department		0 to 45 kl 13,46	0 to 45 kl 12,24
		45.1 kl and above 16,12	45.1 kl and above 14,66
Bulk Consumers		10,15 per kl	9,23 per kl
Industrial and large consumers		13,92 per kl	12,65 per kl
All water tariffs are excluding VAT			
Water Statistics			
Number of users		22 930	22 576
Kl Purchased		14 101 446	13 317 004
Kl Sold		9 406 911	9 415 621
Free basic Kl		1 124 251	1 064 167
Kl Lost in distribution		3 570 284	2 837 216
Percentage lost in distribution		25	21
Cost per kl bought		4,676	4,258
Loss in distribution		16 694 648,92	12 080 866,00
Cost per kl sold		14,88	13,67
Income per kl sold		8,51	9,55
Number of employees		519	463
Number of councilors		64	62

Appendix I

Disclosure of Allowance of Councillors

Name	Position	Total Package 2015/2016	Telephone Allowance	Data Facility	15% Pension	Medical	Travelling Allowance	SALARY	Total Package with Data Facility and Telephone Allowance
Mokati - Thebe F Mayor		787 061,00	-	3 600,00	74 741,18	17 280,00	196 765,25	498 274,57	790 661
Diale RA	Speaker	629 647,00	20 868,00	3 600,00	61 595,90	-	157 411,75	410 639,35	654 115
Nkotswe M N	Executive	590 296,00	20 868,00	3 600,00	55 492,44	17 280,00	147 573,96	369 949,56	614 764
Tshethlane D R	Executive	590 296,00	20 868,00	3 600,00	55 492,44	17 280,00	147 573,96	369 949,56	614 764
Motshabi C N	Executive	590 296,00	20 868,00	3 600,00	55 492,44	17 280,00	147 573,96	369 949,56	614 764
Setou A B	Executive	590 296,00	20 868,00	3 600,00	55 492,44	17 280,00	147 573,96	369 949,56	614 764
Lesele K	Executive	89 812,00	3 478,00	600,00	8 785,96	-	22 453,00	58 573,04	93 890
Manganye T R	Executive	590 296,00	20 868,00	3 600,00	57 746,40	-	147 573,96	384 975,60	614 764
Mashimo R E	Executive	590 296,00	20 868,00	3 600,00	57 746,40	-	147 573,96	384 975,60	614 764
Tlabyane D R	Executive	590 296,00	20 868,00	3 600,00	55 492,44	17 280,00	147 573,96	369 949,56	614 764
Kapari L L	Executive	590 296,00	20 868,00	3 600,00	57 746,40	-	147 573,96	384 975,60	614 764
Monaisa J	Executive	245 956,65	8 695,00	1 500,00	24 061,00	-	61 489,15	160 406,50	256 152
Vava S S	MPAC Chai	550 942,00	20 868,00	3 600,00	53 896,50	-	137 735,50	359 310,00	575 410
Matshaba M Z	Whip	590 296,00	20 868,00	3 600,00	55 492,44	17 280,00	147 573,96	369 949,56	614 764
Deleki N	Councillor	237 236,00	20 868,00	3 600,00	21 005,64	16 884,00	59 309,00	140 037,36	261 704
Ndlovu H	Councillor	237 236,00	20 868,00	3 600,00	20 953,92	17 280,00	59 309,00	139 693,08	261 704
Khunou M K	Councillor	237 236,00	20 868,00	3 600,00	23 207,88	-	59 309,00	154 719,12	261 704
Letlape A T	Councillor	237 236,00	20 868,00	3 600,00	20 953,92	17 280,00	59 309,00	139 693,08	261 704
Lephoto E T	Councillor	237 236,00	20 868,00	3 600,00	23 207,88	-	59 309,00	154 719,12	261 704
Leoto M D	Councillor	237 236,00	20 868,00	3 600,00	23 207,88	-	59 309,00	154 719,12	261 704
Lukhele R M	Councillor	237 236,00	20 868,00	3 600,00	21 086,40	16 264,80	59 309,00	140 575,80	261 704
Magodiolo M A	Councillor	237 236,00	20 868,00	3 600,00	23 207,88	-	59 309,00	154 719,12	261 704
Makgothi M S	Councillor	237 236,00	20 868,00	3 600,00	23 207,88	-	59 309,00	154 719,12	261 704
Mangany S M	Councillor	237 236,00	20 868,00	3 600,00	23 207,88	-	59 309,00	154 719,12	261 704
Bili L H	Councillor	158 157,33	13 912,00	2 400,00	15 471,92	-	39 539,36	103 146,08	174 469
Mashishi S N	Councillor	237 236,00	20 868,00	3 600,00	20 953,92	17 280,00	59 309,00	139 693,08	261 704
Matlapeng S S	Councillor	237 236,00	20 868,00	3 600,00	21 086,40	16 264,80	59 309,00	140 575,80	261 704
Mkhandawiri P P	Councillor	237 236,00	20 868,00	3 600,00	23 207,88	-	59 309,00	154 719,12	261 704
Mngomezulu P F	Councillor	237 236,00	20 868,00	3 600,00	23 207,88	-	59 309,00	154 719,12	261 704
Moate L	Councillor	237 236,00	20 868,00	3 600,00	23 207,88	-	59 309,00	154 719,12	261 704
Moatshe G D	Councillor	237 236,00	20 868,00	3 600,00	20 953,92	17 280,00	59 309,00	139 693,08	261 704
Mokgatlhe	Councillor	237 236,00	20 868,00	3 600,00	23 207,88	-	59 309,00	154 719,12	261 704
Moloi F	Councillor	237 236,00	20 868,00	3 600,00	20 953,92	17 280,00	59 309,00	139 693,08	261 704
Monyatsi M V	Councillor	237 236,00	20 868,00	3 600,00	20 953,92	17 280,00	59 309,00	139 693,08	261 704
Monnagotla T	Councillor	237 236,00	20 868,00	3 600,00	20 953,92	17 280,00	59 309,00	139 693,08	261 704
Selotlego J	Councillor	237 236,00	20 868,00	3 600,00	20 953,92	17 280,00	59 309,00	139 693,08	261 704
Moraope S S	Councillor	158 157,33	13 912,00	2 400,00	15 471,92	-	39 539,36	103 146,08	174 469

Appendix I (Continued)

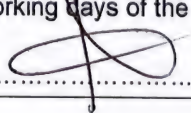
Disclosure of Allowance of Councillors

Name	Position	Total Package 2015/2016	Telephone Allowance	Data Facility	15% Pension	Medical	Travelling Allowance	SALARY	Total Package with Data Facility and Telephone Allowance
Moeng T J	Councillor	237 236,00	20 868,00	3 600,00	23 207,88	-	59 309,00	154 719,12	261 704
Morua E G	Councillor	237 236,00	20 868,00	3 600,00	20 953,92	17 280,00	59 309,00	139 693,08	261 704
Motshagoe D M	Councillor	237 236,00	20 868,00	3 600,00	20 953,92	17 280,00	59 309,00	139 693,08	261 704
Mothaga P R	Councillor	237 236,00	20 868,00	3 600,00	23 207,88	-	59 309,00	154 719,12	261 704
Nhlapo L	Councillor	237 236,00	20 868,00	3 600,00	20 953,92	17 280,00	59 309,00	139 693,08	261 704
Ramapotoka G M	Councillor	237 236,00	20 868,00	3 600,00	20 953,92	17 280,00	59 309,00	139 693,08	261 704
Motsoenyane M Z	Councillor	237 236,00	20 868,00	3 600,00	23 207,88	-	59 309,00	154 719,12	261 704
Moyo D F	Councillor	237 236,00	20 868,00	3 600,00	23 207,88	-	59 309,00	154 719,12	261 704
Masilo J	Councillor	237 236,00	20 868,00	3 600,00	23 207,88	-	59 309,00	154 719,12	261 704
Nondzaba M	Councillor	237 236,00	20 868,00	3 600,00	20 953,92	17 280,00	59 309,00	139 693,08	261 704
Maretele J	Councillor	237 236,00	20 868,00	3 600,00	20 953,92	17 280,00	59 309,00	139 693,08	261 704
Pele J M	Councillor	237 236,00	20 868,00	3 600,00	23 207,88	-	59 309,00	154 719,12	261 704
Rasepae M D	Councillor	237 236,00	20 868,00	3 600,00	23 207,88	-	59 309,00	154 719,12	261 704
Pheto M R	Councillor	237 236,00	20 868,00	3 600,00	20 953,92	17 280,00	59 309,00	139 693,08	261 704
Ntshabele S	Councillor	237 236,00	20 868,00	3 600,00	20 953,92	17 280,00	59 309,00	139 693,08	261 704
Radiokana J M	Councillor	237 236,00	20 868,00	3 600,00	20 953,92	17 280,00	59 309,00	139 693,08	261 704
Ramokoka A R	Councillor	237 236,00	20 868,00	3 600,00	23 207,88	-	59 309,00	154 719,12	261 704
Sekao H B	Councillor	237 236,00	20 868,00	3 600,00	23 207,88	-	59 309,00	154 719,12	261 704
Sekhu S K	Councillor	237 236,00	20 868,00	3 600,00	21 086,40	16 264,80	59 309,00	140 575,80	261 704
Sitha M L	Councillor	237 236,00	20 868,00	3 600,00	23 207,88	-	59 309,00	154 719,12	261 704
Tau D D	Councillor	237 236,00	20 868,00	3 600,00	21 086,40	16 264,80	59 309,00	140 575,80	261 704
Thusi M B	Councillor	237 236,00	10 434,00	1 200,00	3 315,46	-	59 309,00	102 730,70	176 989
Tshite L M J	Councillor	237 236,00	20 868,00	3 600,00	23 207,88	-	59 309,00	154 719,12	261 704
Lesomo LP	Councillor	237 236,00	20 868,00	1 200,00	17 848,92	-	59 309,00	125 855,16	225 081
Monaise J B	Councillor	138 387,69	12 173,00	2 100,00	13 537,93	-	34 596,94	90 252,82	152 661
Kodongo	Councillor	237 236,00	15 126,22	2 400,00	13 460,75	-	59 309,00	108 907,64	199 204
Majila B	Councillor	197 696,67	17 390,00	3 000,00	19 339,90	-	49 424,17	128 932,60	218 087
Letlape E	Councillor	79 078,68	6 956,00	1 200,00	7 735,96	-	19 769,68	51 573,04	87 235

Chapter 6

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

Section 71 reports as per the Municipal Finance Management Act have been submitted to both National and Provincial Treasury within 10 working days of the end of each month.

Signed (Chief Financial Officer).....  Dated 31/08/16 T 6.2.5

Moses Kotane

GLOSSARY

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give "full and regular" reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe "what we do".
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development

GLOSSARY

	<ul style="list-style-type: none"> • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered).
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as:

GLOSSARY

	a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and
--	--

	b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned
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APPENDICES

APPENDIX A – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Bid specification committee	Determine the specifications of goods and services to be procured by the municipality in line with municipal supply chain management policy and other relevant statute
bid evaluation committee	Evaluate bids in line with the published specifications, municipal supply chain management policy and other relevant statute.
Bid adjudication committee	Adjudicates bid in line with municipal supply chain management policy and other relevant statute
Assets management and disposal committee	Plan and report to council on disposal of municipal assets.

APPENDIX B –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Department	Head of Department/Manager (State title and name)
Municipal Manager's Office	Mr PP Shikwane
Corporate Services	Ms T. Jalvan
Planning and Development	Mr A Sefanyetso
Budget and Treasury Office	Ms O Ndlovu
Community Services	Mr C Molokoane
Infrastructure and Technical Services	Mr T. Chiloane

APPENDIX C – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	No	No
Building regulations	Yes	No
Child care facilities	No	No
Electricity and gas reticulation	No	No
Firefighting services	No	No
Local tourism	Yes	No
Municipal airports	No	No
Municipal planning	Yes	No
Municipal health services	No	No
Municipal public transport	No	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes	No
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	No
Stormwater management systems in built-up areas	Yes	No
Trading regulations	Yes	No
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes	No
Beaches and amusement facilities	No	No
Billboards and the display of advertisements in public places	Yes	No
Cemeteries, funeral parlours and crematoria	Yes	No
Cleansing	Yes	No
Control of public nuisances	Yes	No

Control of undertakings that sell liquor to the public	No	No
Facilities for the accommodation, care and burial of animals	No	No
Fencing and fences	No	No
Licensing of dogs	No	No
Licensing and control of undertakings that sell food to the public	No	No
Local amenities	Yes	No
Local sport facilities	Yes	No
Markets	No	No
Municipal abattoirs	No	No
Municipal parks and recreation	Yes	No
Municipal roads	Yes	No
Noise pollution	Yes	No
Pounds	No	No
Public places	Yes	No
Refuse removal, refuse dumps and solid waste disposal	Yes	No
Street trading	Yes	No
Street lighting	Yes	No
Traffic and parking	Yes	No

APPENDIX D – WARD REPORTING

DECEASED
RESIGNED
REPLACEMENT
Dissolved due to Cllr's resignation

Functionality of Ward Committees						
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Ward Committee Members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
1	Hazel Ramokapelwa	Sephoti Ryme Tebogo Matlapeng W.B Lerato Mekgwe Mogapi Martha.N Tunzi H.M Diale James Reginald Nkele Nageng Edith Botshelo Lydia Ramerafe Barbra Karabo Molefe	Yes	12	4	12

2	Moyo Florah	Bogatsu Nono Sara Dithate Ntutu Reuben Dubazana B.N Molapisi Mpho M Molefe Caroline K Morebantwa Neo M Motswagosele Michael Lesomo L.P Mokone Daniel Merriam Dithate	Yes	12	10	12
3	Pule Mkhawiriri	Thiti Johannah Thonoki Tlhwane Rebecca Kgama Makgamanyane Suzan Gideon Sekano Manopolo Patricia Nthamane Ramalosa Maropeng Labius Fono Legodi Rebecca Kenetswe Pooe Lesego S Edward Manyako	Yes	12	12	12
4	Nhlapo Lindiwe	Mosime Obed Mosime Mokobe Dimakatso Johanna Monnana Patrick J Mooketsi T.M Mofokeng Ratala S Sekgabi R.M Ngakane Sekgele Isaac M.M. Ramekwa Poloko Lesomo	Yes	12	10	12

5	Tau Dipuo	<p>Moatshe Masellane Bernard Kgwefane Mary M Motlhabi R Simon Sibanda M.M Banda Solomon Seema Thato Motshegare Diphale Tebogo Mzizi Maria Kelebogile Molefe</p>	Yes	12	11	12
6	Moloi Ntsebeng	<p>Lesolebe Bogoko Marcus Lesolebe Mmampho Doricca Dibotelo Seapei Khunou B.E Edward Ngubegusha Mtengozo Ashon Wilson Kgokong Irene Dikeled Ngobeni Doris Mafanato Karel Sedile Tau Cathrine Setshego Sekano Grace Ineeleng</p>	Yes	12	11	12
7	Saltiel Ntshabele	<p>Mogapi Rosinah Kabakae Ngqukutu Vuyiseka Zifunele Vuyiswa Charity Modise Goso Nokuzola Grace Baleni Sithembiso Martha Koopedi Madigu Bunny Rasephei G.M Barry Makganye</p>	Yes	12	10	12

8	Daniel Motsomi Leoto	<p>Moeng Meme Rebecca Leoto Josphine Tsholofelo Dipuo Molefe Dlamini Amen Mtheleli Mampu Rosina Shiela Diatshwana Gaitsemang Mack Masilela Refiliwe Velecia Modise E.G Masule Anna Naledi Mogalefi Koketso Moses Nkele Pule</p>	Yes	12	11	12
9	Motshegoa Pinky	<p>Modise Kgantshang Daphney Motshegwe Yvonne Eva Phefo Monicah Ntoagae Lucky William Lucas Kalaba TA Thebyane Elizabeth Mankhela Sophy Mokotedi Pilane Tshimane Sebele Benjamin Makgale Johanna</p>	Yes	12	8	12

10	Zitha Lerato	<p>Ntsimane George Otto Ikaneng Wonder Paul Mpasha N.Z Kgomo Joyce Kgware Morebula Evon Ramontsho Joas Senku Thakadu Pheny Clement Khumalo Kagiso Selomoni Kganakga M.D Pile Tshagotatso Noami Stadford Nkomo</p>	Yes	12	7	12
11	Nono Matshereng	<p>Tshintso Seth Fretie Ramokoka Maalosa Caesar Mphela Mamiki Johanna Mphela Violet Monagane Bafedile Segone Kenyaditse Magobane Moatshe Thapelo Calvin Moatshe Dithloriso Johanna Maledu Wilhemina Dikeledi Mancha Molemi Masekata Lena Malatsi Kenleng</p>	Yes	12	12	12

12	Ramokoka Aaron	Maponyane William Motsosi Tshoma Mosidi Louisa Songo Kedibone Marriam Mosito Baleseng Magdeline Tapala Madumetja John Desmond Ramokoka Dire Mampharafara Peter Mpudi Dinah Dipuo George Moitsiwa Anna Ramokoka Caroline Maema	Yes	12	12	12
13	Motlhaga Ruth	Nelly Moloi Nkwe Queen Keorapetse Ntshole Radibe Molathegi Cornelius Tshenye Dorothy Molekeng Lethabo Joyce Matshana Mantoa Margaret Ratsela Geoffrey Ramokwena Siko Dikeledi Esther Jerry Ntshabele	Yes	12	12	12
14	Jaffa Lebogang Masilo	Morake Thabo Joshua Meshack Monnagotla Kodisang Tumagole Stephen Mbopo Sarah Julia Loeto Lesang Lawrence Moyo Basebi Daphney Koitsiwe Kgomoiso Jacqueline	Yes	12	12	12

15	Letlape Abednico Tshwenyego	Radebe Dumazile Johannah Peggy Dube Balatseng Dorothy Moanakwa Mmabatho Irene Phaladi Mabosheke Salome Serunye Louisa Nana Morobe Ezekiel Masilo Mfolwe Glad Lerato Kgengwe Taote Israel Dibobo Constance Sibanda Siangiso	Yes	12	12	12
16	Pheto Rose	Moshashe Modiegi Anna Mogale Baleseng Joyce Serole Claudina Lesego Seemise Peter Mokowe Molefe John MA Mathibe Maria S Makgale Maunatlala Nokila Thomas Mampane Ditshebo Batseba Mabe Elizabeth Queen	Yes	12	12	12

17	Manganye Bushy Solomon	<p>Motlhatswe Petrus .M Fani Nkoki Esther Letsholo Moitsheki Reginah Maloba Ditsele .D Molefe Goltsemang .J Mafotsa Juri Lesejane Peter Matlapeng Mabusela Kgomotso Comfort Ruele Lesobe Lion Ledoaba Lesetja Benedict</p>	Yes	12	12	12
18	Radiokana Mamikie	<p>Rankoa Sylvia Keisang Lesejane Hana Molefe Kabelo Johannes Mosome Carol Phege Lebogang Mary Motlhabane Mpoko Richard Joseph Ramoni Madubung Elsie Dibethe Lephoi Johanna Mpole Nkoe</p>	Yes	12	8	12
19	Kgothatso Kodongo Replaced Joyce Mekgwe who resigned.	<p>Thomelo Violet Tshidi Masoko Jooste Tsebela Kodongo Harry Kgothatso Selebogo George Keorapetse Letsholo Christina Keitumetse Mekgwe Mabokgola Geniffer Motlhoi Mmolawa Matlhabane Catherine Motaung Annie Kgafatso Kgosiemang Julia kgosiemang Doris maotwe</p>	Yes	12	8	12

		Kelebogile Kgosiemang Nono Lethuloe Asaph Lentsoe Tiny van Vuur Mmamaki Kgatshe Kagiso Modiko Doctor Molotsi				
20	Tshetlhane Dithothi (Exco Member)	Senne Nchane Pauline Komane Nakedi Klaas Letsholo Beauty Mantsho Matsafu Shimane Alfred Tlholwe Kesalegone Mirriam Matsafu Rinah Mmadikhu Senneloe Ruth Semakaleng Lesele Andrew Tolwe Ramasita Odirile Moses Magoleng Rosinah Dikgothi	Yes	12	8	12
21	Sipho Vava (MPAC Chairperson)	Motlalepule Tagobe Emma Phepheng Angelina Molete Mabote Dorothy Ikgopoleng Letswamotse Agnes Tsholofelo Kgasoane Marry Mmoni Galeamiwe Doris Sinah Herman Molete Tshepo Khumalo	Yes	12	11	12

22	Mita Khutsafalo Khunou	<p>Phefo Monicah Seaketso Mpho Mosito Jonas Monkwe Maria Poonyane Elizabeth Masilo Johannes Thapelo Khunou Motsei Beauty Mbewe Ntifi Dapney Ramathape Mpho Sarah Pilane/Sello Thabo Eric</p>	Yes	12	12	12
23	Nkotsoe Nketu (Exco Member)	<p>Bogatsu Lizzie Maslangwako Johanna Thondwane Daphney.I Mosime Hilda Mokgoebi Jane Kate Mopedi Jane Mokgosi Tshidiso Grace Tsokodibane Nthabiseng Makgotlwe Grace Gadifele Gideon Ramokgadi Diole Solomon</p>	Yes	12	6	12

24	Magodiello Abish	Madimabe S. Deborah Mosidi G. Lazarus Sekao Nomvula. S Kau Prudence Tshepo Maake Rosina Ofina Mogapi Keagile Peter Seeletso Jane Lesego Anna Mmatshoko Koitsiwe Motsisi Linki Caroline Mmamane Mosime	Yes	12	11	12
25	Pele Julia	Modise Catherine M Segone Sello Segone Jeffrey Sebaga Morobane Janice Boipuso Toute Dorothy Makhuduga Moleko Mohashoa Mogwe Gift Tunte Marokwane Tebogo Kubatsi Sarah Setlalelwang Lindiwe Mokgatlhe Tumisang Matsietsa	Yes	12	11	12
26	Sekao Hendrick	Letlape Nkeko Anastantia Molefe Boitumelo Patricia Moruane Mogotsi Mothabi Mmama Olga Mothoane Lebogang Joyce Tshailane Zacharia Daniel Moanakwena Basotho Hendrik Masisi Masweu Magdeline Popi Maseke	Yes	12	11	12

27	Makgothi Thompson	Chinbano Elizabeth Diatshwana Boikhutso Khumalo Thapelo Hendrick Molane Esslyn Kenalemang Motswasejane Magret Putuka Kealeabetswe Gopolang Daniel Motswadi G.Daddy Moloana Refilwe Reggie Malatsi	Yes	12	8	12
28	Lukhele Rose Mpula	Moutloatse Elizabeth Kelebogile Segakweng Serame Lucas Mogapi Isaac Matlhasinyana Matshoba Sipho Roseman Moloko A.N Khoza Deliwe Elizabeth Genu Patricia Thenjiwe Ditsele Annah Tsholofelo Sekete Herman Sizwe Evah Nare	Yes	12	8	12
29	Toto Johannes Moeng	Pheto James.E Ntswetswe John Ramokoti Sesinyi Lenah Mogapi Ramonane Ishmael TS Motswakhumo Menzi Mmamotiane Martha Matlou Odisitse April Nthabane S.D Jabosigo Keromamang Jonas Bubisi Kagiso Donald Abel Mabote Harry Pilane Arron Kgabo	Yes	12	12	12

30	Monnagotla Chonko Triphosa	Bishop Mothibedi Masilo Rosina Madimi Matshitse Samuel Kgatatso Mollo Nthabiseng Mtshali Richard Mphumleni TD Tseladimitlwa Putu David Obakeng Fikile Mpako Ximba Philimon Bongani Diamini Napoleon	Yes	12	12	12
31	Mpho Monyatsi	Ramahlape Matshwenyego Cathrine Mokwena Isaac Kagiso Gouwe Baatseba Cathrine Mangadi Rina Naome Meya Mogomotsi Billy Makgale Khumo Felecia Ruele Neo Mirriam Makete Tsholofelo Maria Molati Tiny R Segabetla Aron Tshapo Kgosi Neo Makgale	Yes	12	12	12

VOLUME II

APPENDIX E – WARD INFORMATION

Ward Title: Ward Name (Number)				
Capital Projects: Seven Largest in 2015/16 (Full List at Appendix O)				
R' 000				
No.	Project Name and detail	Start Date	End Date	Total Value
1	Ground water optimization	12/01/2016	30/04/2016	11600
2	Tussenkoms Ruighoek Bulk line	01/09/2014	Ongoing	190000
3	Rural Sanitation in All Wards	09/11/2015	20/05/2016	11800
4	Ledig Internal Road	06/11/2015	06/04/2016	10800
5	Provision of High Mast lights	30/11/2015	30/05/2016	10460
6	Mabalstad Internal Road	17/11/2015	17/04/2016	10300

APPENDIX F – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2015/16

Municipal Audit Committee Recommendations		
Dates of Committee Meetings	Committee recommendations during 2015/16	Recommendations adopted (enter Yes) If not adopted (provide explanation)
28 August 2015 25 Jan 2016 22 April 2016 22 July 2016	1. That management implement the recommendation of internal audit, especially related to overtime; leave management; performance management; traffic management system; etc.	Yes
	2. That management implement the system of risk management	Yes
	3. That management implement compliance programs	Yes

Long Term Contracts (20 Largest Contracts Entered into during Year 2015/2016)					
					R' 000
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
Ikageng Solutions	Call Centre	2015/2016	2018/2019	Ms T Jalvan	13 158
Rebathari	Mogwase Landfill	2015/2016	2018/2019	Mr C Molokwane	1 634
Reagetswe Trading	Waste Removal	2015/2016	2018/2019	Mr C Molokwane	63 950
White Leopard	Security	2015/2016	2018/2019	Mr C Molokwane	64 900
Modhope Properties	Valuation Roll	2015/2016	2020/2021	Ms T Jalvan	3 700

APPENDIX G: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

Revenue Collection Performance by Vote						
						R' 000
Vote Description	2014/2015	Current: 2015/2016			2015/2016 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Municipal Council - Vote 1	42	1 446	1 446	1 446		
Office of Accounting Officer - Vote 2		0	0	477		
Budget and Treasury Office - Vote 3	396 192	311 570	340 653	578	166 008	136 925
Corporate Services - Vote 4	187	519	119	119	-400	0
Community Services - Vote 5	24 661	57 256	57 091	60 858	3 602	3 767
Planning and Development - Vote 6	182	150	280	325	175	45
Infrastructure and technical Services - Vote 7	180 822	221 729	219 912	205 012	-16 717	-14 900
Example 8 - Vote 8						
Example 9 - Vote 9						
Example 10 - Vote 10						
Example 11 - Vote 11						
Example 12 - Vote 12						
Example 13 - Vote 13						
Example 14 - Vote 14						
Example 15 - Vote 15						
Total Revenue by Vote	602 086	592 670	619 501	745 338	152 668	125 837

Revenue Collection Performance by Source						
R '000						
Description	2014/2015	Current: 2015/2016			2015/2016 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	65	69	85	97	28%	12%
Property rates - penalties & collection charges	624	720	164	112		
Service Charges - electricity revenue			–			
		–	–			
Service Charges - water revenue	102	111	110	97	-15%	-14%
Service Charges - sanitation revenue	965	552	552	070		
	2	3	2	2	-41%	-13%
Service Charges - refuse revenue	855	622	902	567		
	21	25	25	27	7%	6%
Service Charges - other	933	720	990	583		
			–			
Rentals of facilities and equipment			–			
Interest earned - external investments	10	9	8	10	8%	24%
Interest earned - outstanding debtors	291	700	000	497		
	22	23	38	41	43%	7%
Dividends received	871	850	975	710		
			–			
Fines	1	3	3	4	25%	35%
Licences and permits	204	500	000	643		
			–			
Agency services			–			
Transfers recognised - operational	431	343	343	463	26%	26%
Other revenue	619	350	304	233		
Gains on disposal of PPE	1	1	1	1	-8%	-5%
Environmental Protection	248	657	615	539		
Total Revenue (excluding capital transfers and contributions)	660	592	619	745	20,55 %	16,95%
	610	670	502	955		

APPENDIX G (i): REVENUE COLLECTION PERFORMANCE BY VOTE

APPENDIX H: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major condition s applied by donor (continue below if necessary)
				Budget	Adjustment s Budget	
Neighbourhood Development Partnership Grant						
Public Transport Infrastructure and Systems Grant						
Other Specify:						
Municipal Systems Improvement	930	930	930	100%	100%	
	12	12	12			
Department of Water Affairs Levy replacement	500	500	500	100%	100%	
	1	1	1			
Finance Management Grant	600	600	600	100%	100%	
	3	3	3			
PMU	904	904	904	100%	100%	
	1	1	1			
Extended Public Works	446	446	446	100%	100%	
		1				
Sports and Recreation	400	000	952	250%	95%	
Total	19 849 727	20 449 727	20 402 027	47 700	47 700	

COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:

The Municipality complied with the conditions of the grants that were received by the Municipality. All the grants listed were used for operational purposes.

APPENDIX I (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*							
R '000							
Description	2014/2015	2015/2016			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2016/17	2017/18	2018/19
Capital expenditure by Asset Class							
Infrastructure - Total	113 804	129 445	165 966	108 838	126 093	188 425	194 723
Infrastructure: Road transport - Total	65 325	72 343	74 906	65 901	22 055	58 652	37 008
Roads, Pavements & Bridges	65 325	72 343	74 906	65 901	22 055	58 652	37 008
Storm water							
Infrastructure: Electricity - Total	8 012	15 980	19 324	10 706	3 929	10 638	20 000
Generation							
Transmission & Reticulation							
Street Lighting	8 012	15 980	19 324	10 706	3 929	10 638	20 000
Infrastructure: Water - Total	28 518	22 077	51 491	14 457	75 109	82 135	112 715
Dams & Reservoirs							
Water purification							
Reticulation	28 518	22 077	51 491	14 457	75 109	82 135	112 715
Infrastructure: Sanitation - Total	9 570	13 367	13 367	13 143	25 000	28 000	25 000
Reticulation	9 570	13 367	13 367	13 143	25 000	28 000	25 000
Sewerage purification							
Infrastructure: Other - Total	2 379	5 678	6 878	4 631	0	9 000	0
Waste Management	2 379	5 678	6 878	4 631		9 000	
Transportation							
Gas							
Other							
Community - Total	201	12 527	12 021	21 264	13 500	15 000	15 900
Parks & gardens	189	12 027	11 521	21 264	13 500	15 000	15 900
Sportsfields & stadia							
Swimming pools							
Community halls							
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							

Museums & Art Galleries						
Cemeteries		500	500			
Social rental housing						
Other	12					
Table continued next page						

Table continued from previous page							
Capital Expenditure - New Assets Programme*							
R '000							
Description	2014/2015	2015/2016			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2016/17	2017/18	2018/19
Capital expenditure by Asset Class							
Heritage assets - Total	-	-		-	-	-	-
Buildings							
Other							
Investment properties - Total	-	-		-	-	-	-
Housing development							
Other							
Other assets	54 859	8 286	42 439	43 103	9 600	1 000	1 000
General vehicles	10 487	2 020	18 500	10 653	8 000		
Specialised vehicles							
Plant & equipment		1 220	1 436	714	200	200	200
Computers - hardware/equipment		2 400	17 400	27 480	900	800	800
Furniture and other office equipment	28 439	2 646	5 103	4 256	0	0	0
Abattoirs							
Markets							
Civic Land and Buildings	15 880						
Other Buildings	53				500		
Other Land							
Surplus Assets - (Investment or Inventory)							
Other							
Agricultural assets	-	-		-	-	-	-
List sub-class							

Biological assets	-	-		-	-	-	-
<i>List sub-class</i>							
Intangibles	-	-		-	-	-	-
Computers - software & programming							
Other (<i>list sub-class</i>)							
Total Capital Expenditure on new assets	168 864	150 258	220 426	173 205	149 193	204 425	211 623
Specialised vehicles	-	-		-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							